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ABSTRACT

This General Accounting Office (GAO) report on employment competencies for youth in programs funded under title II-A of the Job Training Partnership Act describes the extent and nature of youth employment competency training systems implemented as of June 30, 1985, and assesses the adequacy of competency attainment data available to States to evaluate the effectiveness of local programs. It contains recommendations to the Secretary of Labor and to the Congress. Results indicate that most local programs have some youth competency system, but these are locally determined and can vary substantially. Competency areas differ, attainment criteria differ, and data for a competency standard are lacking. Therefore States need performance standards that are adjusted to account for differences in competency systems. Incentive awards could discourage, not encourage, provision of the training many youths need. If a competency standard is established, GAO believes it should measure local programs' success in increasing the employability of youth--which requires data on the extent to which all youth in competency training attained competencies. Appendixes cover evaluation techniques, demographic data, program descriptions, and comments from the Department of Labor and Office of Management and Budget. (PS)

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United States General Accounting Office 4-13-89

GAO

Report to Congressional Requesters

February 1987

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YOUTH JOB TRAINING

Problems Measuring Attainment of Employment Competencies

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-224035

February 11, 1987

The Honorable Edward M. Kennedy
Chairman, Committee on Labor and
Human Resources
United States Senate

The Honorable Augustus F. Hawkins
Chairman, Committee on Education
and Labor
House of Representatives

This is our report on employment competencies for youth in programs funded under title II-A of the Job Training Partnership Act. It describes the youth employment competency training systems implemented as of June 30, 1985, and assesses the adequacy of competency attainment data available to states to evaluate the effectiveness of local programs. It contains recommendations to the Secretary of Labor and to the Congress. We prepared this report as part of our basic legislative responsibility to provide information needed for congressional oversight.

We obtained official comments from the Department of Labor and the Office of Management and Budget on the matters discussed in this report and considered those comments in its preparation.

We are sending copies of this report to the Secretary of Labor; the Director, Office of Management and Budget; and other interested parties.

Richard L. Fogel

Richard L. Fogel
Assistant Comptroller General

Executive Summary

Purpose

Many economically disadvantaged youths, because they lack the skills to find and hold a job, face long-term employment problems. The Congress acknowledged this when it enacted the Job Training Partnership Act—the primary federal job training program for economically disadvantaged youths and adults. Since its inception in 1983, about $1.9 billion has been appropriated annually for title II-A of the act, and at least 40 percent of the funds are supposed to be spent on services for youth. Because the act stresses performance, it also provides funds for incentive awards for good performance. While job placement is the primary performance measure for adult programs, the act specifies that youth programs should also measure other factors, such as attainment of "employment competencies" needed for success in the labor market. The procedures local programs use to provide training in such competencies constitute their "competency systems."

Local programs have had wide discretion in defining employment competencies and in designing and operating competency systems, and little has been known at the national level about just what they have been doing and what it means when they say a youth has "attained competencies." In this report, GAO discusses the (1) extent and nature of youth competency systems as of June 30, 1985, and (2) competency attainment data reported to states for judging local program performance.

Background

Competency-based training consists of defining the skills to be learned, determining the skills the learner already has, providing training in the deficient skills, and evaluating whether the learner attained the desired skills. The Department of Labor has grouped employment competencies into three major areas. They are (1) pre-employment and work maturity skills needed to find and hold a job, (2) basic education skills, and (3) job skills for specific occupations.

To evaluate local performance, states use national standards set by Labor. They can, however, adjust the standards for local factors, such as client characteristics and services provided. Local programs report performance data to the state and to Labor, using the Job Training Partnership Act Annual Status Report.

GAO's review included interviews with Labor and Office of Management and Budget (OMB) officials, questionnaires sent to all 582 local programs in the states and District of Columbia, detailed questionnaires sent to a random sample of 100 programs in 32 states, and visits to 8 locations.

Results in Brief

Most local programs have some youth competency system, but they differ significantly in the competency areas included and in criteria for youths to be reported as a program success due to attainment of competencies. Since competency programs are locally determined and can vary substantially, states need performance standards that are adjusted to account for differences in competency systems. Otherwise, less comprehensive programs, such as those providing only pre-employment skills training, will appear more successful than those providing training that includes basic education, which is more costly and harder for trainees to complete. Thus, incentive awards could discourage, not encourage, provision of the training many youths need.

As there are both advantages and disadvantages to a separate competency performance standard, GAO takes no position on whether one should be set. But if a competency standard is established, GAO believes it should measure local programs' success in increasing the employability of youth—which requires data on the extent to which all youth in competency training attained competencies. OMB, however, disapproved Labor's request to begin collecting that data in program year 1986 so that such a standard could be set for program year 1988. GAO believes these data are needed for a competency standard.

Principal Findings

Competency Areas Differed

Of the almost 600 local job training programs, 91 percent reported to GAO that they had implemented or were developing competency systems in June 1985. The diversity of such systems was described in responses to the more detailed questionnaire GAO sent to 100 programs. Of the 87 programs responding, 37 said they provided training in only one competency area (and that area was pre-employment/work maturity for 34 of the 37); 28 had two competency areas; and 22 included all three.

The diversity in major areas of training is significant because of the differences in training time. In the eight locations GAO visited, for example, the maximum time spent on pre-employment training generally was less than 50 hours, while basic education and job-specific training typically required several hundred hours.

"Attainment" Criteria Differed

Criteria for reporting "successful" terminations of youth participants due to their attainment of competencies also differed among local programs. For example, some programs that offered training in more than one competency area required that a youth attain only pre-employment competencies, while others required attainment in basic education or job-specific skills as well. Criteria for reporting success in any one major area also differed. For example, one program required that a youth attain 22 of 24 identified pre-employment competency skills (which took about 40-48 hours of training) to be reported to the state as a program success. Another program, however, required attainment of only 1 of 15 pre-employment skills (which took 3 or 4 hours).

Data for Competency Standard Lacking

Currently, performance standards for youth combine attainment of employment competencies with other positive outcomes, but Labor has proposed establishing a separate standard for employment competencies.

Legislation introduced in the 99th Congress would have amended the act to require the Secretary to establish a competency standard. The Senate Committee on Labor and Human Resources determined that a statutory change was not necessary but affirmed its desire for Labor to proceed with plans to establish a separate standard. Labor, however, does not believe it has the data it needs to set such a standard.

A separate standard might increase the emphasis on improving the employability skills of youth rather than just placing them in jobs. Current policy may, however, provide enough emphasis on employability enhancement. GAO lacks a sufficient basis to take a position on whether or not a competency standard should be set.

But if Labor were to set such a standard based on the data it now collects, it would measure only how many successful terminations were due to attainment of employment competencies, not how successful local programs were in increasing employability of youths deficient in competencies. This is because Labor is not allowed by OMB to collect information on all youths who obtain competencies, only on those who attain competencies while in the program, but did not get jobs or have other successful outcomes (such as returning to full-time school).

Recommendation to the Secretary of Labor

The Secretary of Labor should (1) recommend that states adjust the performance standards to take into account the differences in local competency systems and (2) provide technical assistance to help states make these adjustments.

Recommendation to the Congress

If the Congress chooses to require a separate youth employment competency performance standard, GAO recommends that the standard apply to all youths who attain competencies and that the act be amended to enable Labor to collect the data necessary to set and implement such a standard.

Agency Comments

Labor concurred with GAO's recommendation to the Secretary and indicated its intent to implement it. OMB commented that one concern that led it to disapprove part of Labor's 1986 data collection request was that the proposed data collection would encroach on the local prerogative to define competencies and competency systems. GAO does not agree with OMB, however, because each private industry council would still decide whether to provide competency-based training, which major areas to include, and, within each area, the definitions of deficiencies and attainments. OMB's other major concern was that the data would be used to develop a very detailed performance measure that could not be applied fairly to different local programs. GAO believes the adjustments described in the recommendation to Labor, if used by states and local programs, would provide a foundation for meaningful and fair performance measures.

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Abbreviations

CETA	Comprehensive Employment and Training Act
GAO	General Accounting Office
JTPA	Job Training Partnership Act
OMB	Office of Management and Budget
PIC	private industry council
SDA	service delivery area
TEIN	Training and Employment Information Notice

Introduction

The Job Training Partnership Act (JTPA) has been the nation's primary federally funded employment and training program since it replaced the Comprehensive Employment and Training Act (CETA) in October 1983. Title II-A of JTPA established a training program for disadvantaged adults and youths, funded at about $1.9 billion annually through program year 1985 and about $1.78 billion for program year 1986.[1] Job training services are provided through local service delivery areas (SDAs), which may be organized variously to include one or more units of local government or even the entire state.

Except for summer employment and training programs, all JTPA youth programs operated by SDAs are provided under title II-A of the act, which requires that local SDAs generally spend at least 40 percent of their title II-A funds on youth.[2] In program year 1984, the latest year for which data were available when this review was done, $539.7 million or 39 percent of the $1.37 billion spent by the 582 SDAs in the states and the District of Columbia went to youth training. The proportions spent by the individual programs ranged from 15 to 68 percent.

Each service delivery area must have a local private industry council which, among other things, provides policy guidance and oversight and determines procedures for the development of the SDA's job training plan. These plans describe such aspects of program operation as services to be provided, their estimated duration and cost, and procedures for selecting participants. A majority of the local council's members must be business leaders, and its other members are to represent organized labor, community-based organizations, and educational, rehabilitation, economic development, and public employment service agencies.

Within a state, the governor must review and approve each SDA's job training plan. The state is also responsible for administering JTPA performance standards by which local program effectiveness is evaluated.

Performance Standards for Youth Programs

For each national performance standard established by the Department of Labor for JTPA title II-A programs, the state sets a numerical value for each of its SDAs. For each SDA, the state may adjust the numerical value

[1] JTPA's program year begins July 1 and ends June 30 the following year. Thus, program year 1986 began July 1, 1986, and ends June 30, 1987.

[2] An additional $769.5 million was allocated to be spent in the summer of 1986 for youth under title II-B in the Summer Youth Employment and Training Program. We did not include title II-B programs in this review because JTPA performance standards do not apply to them.

of the national standards to take into account local geographic, demographic, economic, and programmatic differences. For example, the national standard for the "entered employment rate" for youths in program year 1986 is 43 percent, but if an SDA's local unemployment rate is higher than the national average, the state may agree to decrease that SDA's standard to perhaps 30 percent because it will find it harder to place youths in jobs. Measured against these standards, the SDAs within a state compete for incentive grants awarded by the state on the basis of local program performance.[3]

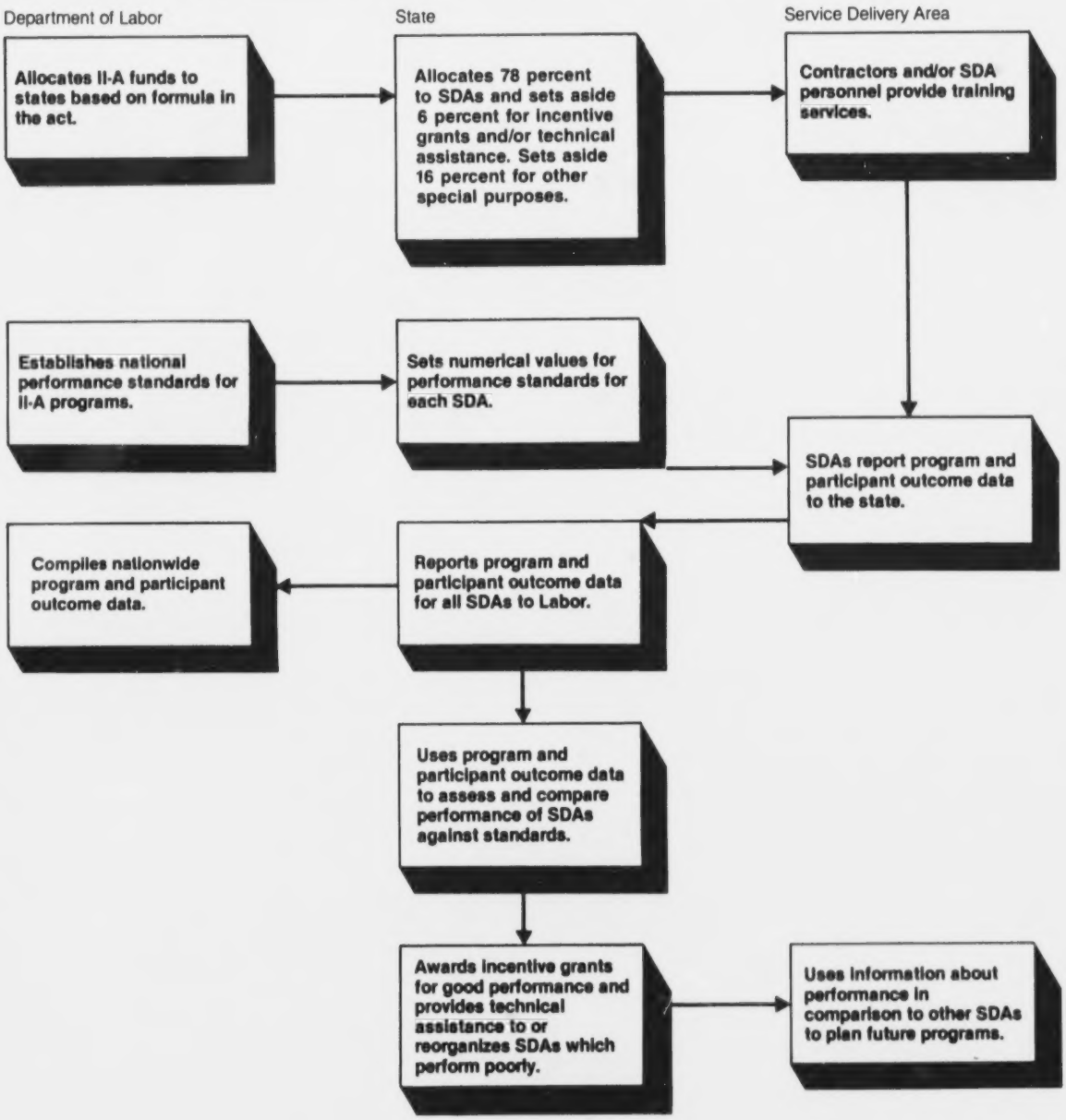
If an SDA does not meet performance criteria, the state provides technical assistance. In the event of continued failure, the state imposes a reorganization plan that restructures the private industry council, prohibits the use of designated service providers, shifts administrative responsibility to another organization, or makes other changes deemed necessary to improve performance.

The act requires each state to set aside 6 percent of its title II-A allocation for incentive grants and/or technical assistance.[4] The process and relationships involved in funding, setting performance standards, and awarding incentive grants are shown in figure 1.1.

[3]Incentive grants also may be based on providing services to the hard-to-serve, such as school dropouts, who are less likely to get jobs.

[4]No data are available at the national level on how these 6 percent set-aside funds have been spent.

Figure 1.1: Roles of Department of Labor, States, and Service Delivery Areas in Administering Title II-A


Department of Labor
State
Service Delivery Area
Allocates II-A funds to states based on formula in the act.
Allocates 78 percent to SDAs and sets aside 6 percent for incentive grants and/or technical assistance. Sets aside 16 percent for other special purposes.
Contractors and/or SDA personnel provide training services.
Establishes national performance standards for II-A programs.
Sets numerical values for performance standards for each SDA.
SDAs report program and participant outcome data to the state.
Compiles nationwide program and participant outcome data.
Reports program and participant outcome data for all SDAs to Labor.
Uses program and participant outcome data to assess and compare performance of SDAs against standards.
Awards incentive grants for good performance and provides technical assistance to or reorganizes SDAs which perform poorly.
Uses information about performance in comparison to other SDAs to plan future programs.

Under the act, performance by local programs is measured in terms of increases in participants' employment and earnings and reductions in welfare dependency. As a result, performance standards have focused primarily on placing participants in jobs.[5] But the act also acknowledges that for youths immediate job placement is not the only desirable (or positive) outcome. In some cases, placement in a job would be undesirable; for example, it would be undesirable for in-school youths if it resulted in their dropping out of school. Thus, section 106 of the act also identifies other positive outcomes that enhance a youth's employability, including completing a major level of education (elementary, secondary, or postsecondary or the equivalent), enrolling in other nontitle II training programs, and attaining youth employment competencies (skills that improve employability) approved by the local private industry council.

For youth training programs, the Secretary of Labor has established three standards:

- How many youths are placed in jobs;
- The total number of positive terminations (outcomes), including job placements and all outcomes that enhance employability; and
- The average cost of each positive termination.

None of these standards focuses solely on attainment of employment competencies, but the positive termination standard can include the attainment of competencies.

Some Members of Congress have expressed interest in establishment by Labor of a youth competency standard separate from the three existing standards. For example, the chairman of the Senate Subcommittee on Employment and Productivity, Committee on Labor and Human Resources, in early 1986 introduced legislation that would have amended the act to require that Labor establish a youth competency standard by July 1986.[6] This proposal was prompted by a concern that the performance standards for youth programs, by focusing too much on job placement, may give SDAs a disincentive to provide competency training.

[5]Labor does not intend to establish any standards to measure the economic benefits (including reduction in welfare dependency) of participants' employment after they leave the program until July 1988, when data will be available for them to do so.

[6]S. 2069, 99th Congress, 2d Sess., the Job Training Partnership Act Amendments of 1986.

GAO, testifying on this proposal in March 1986, noted that establishing such a standard was unrealistic at that time because Labor lacked the necessary data to set numerical values and design a method by which states could adjust the standard to take into account differences among SDAs within a state.[7] Later, the Committee on Labor and Human Resources deleted the proposal as an unnecessary statutory change, noting that progress already was being made toward developing youth competency standards, including collection of necessary data. (At the time the proposal was deleted—June 1986—Labor had informed OMB that it intended to establish a standard for youth competency attainment. Although OMB had denied Labor's request to collect data Labor believed necessary to set such a standard, Labor had appealed the decision and was waiting for a decision on the appeal.) The committee reiterated its "resolve and commitment" to youth competency standards, however, and instructed Labor to report back to the committee if such a standard is not implemented by the beginning of program year 1987 (July 1987).[8]

Competency-Based Training Viewed as Important for Youth

As a general concept, a competency-based approach to learning focuses on (1) defining the content to be learned, (2) assessing what the learner already knows, (3) providing learning experiences intended to lead to the desired, defined outcome, and (4) evaluating whether the learner has attained the desired knowledge or skills. With the renewed emphasis on basics in education, many public schools are developing standardized, objective measures of competence that can be applied when a youth completes a grade or graduates.[9]

In the employment and training community, the competency-based approach is generally viewed as an important strategy for improving youths' employability.[10] Competency-based employment training did not, however, originate with JTPA. It has been used in the Job Corps, and

[7]Job Training Partnership Act Amendments of 1986: Hearing Before the Subcommittee on Employment and Productivity, Senate Committee on Labor and Human Resources, 99th Cong., 2d Sess., 99-681 (statement of William J. Gainer).

[8]S. Rep. No. 99-317, 99th Cong., 2d Sess., Amending the Job Training Partnership Act, Committee on Labor and Human Resources, June 5, 1986.

[9]Center for Employment and Income Studies, Brandeis University, An Introduction to Competency-Based Employment and Training Programs for Youth Under the Job Training Partnership Act, prepared for the Department of Labor (Waltham, MA: 1983).

[10]National Association of Private Industry Councils, Youth Programs and the Job Training Partnership Act, Implementing Competency Standards, 1986.

vocational educators have used it widely, building programs around specific measurable skills needed in the workplace. After determining which workplace skills an individual needs but does not possess, training can be tailored to the individual's deficiencies. According to one researcher, educators also support this approach because it helps ensure that curricula are more directly related to work requirements.[11]

Competency-Based Systems in JTPA

The act does not prescribe specific employment competencies in which youths are to be trained; it only requires that local private industry councils approve them. Thus, the act stresses the important role of local labor market needs and expectations in the design of competency-based training. If competencies are based on local employers' needs and expectations for entry-level positions, youths who attain these competencies could be expected to be "employment-competent" in the local labor market.

To be employment-competent for an entry-level position, a person needs more than the occupational skills required to perform a specific job. In fact, a wide variety of studies agree[12] that employers are not necessarily looking for entry-level employees who possess specific job skills, but rather persons who understand and demonstrate appropriate work behavior and have the basic language and mathematics skills needed to learn specific occupational skills.

The Department of Labor has identified three major competency areas in which SDAs may train youths and record their competency attainments as positive terminations, but one of the major areas (pre-employment/work maturity) has two components, which some SDAs have treated as separate areas. Local private industry councils select specific competencies from one or more of these areas to include in their SDAs' youth competency systems. The three major areas are:

- Pre-employment skills (finding and getting a job) include awareness of the world of work, labor market knowledge, occupational information, career planning and decision-making, and job search techniques. Work maturity skills (holding a job and advancing) include positive work

[11]Gerri Fiala, Benchmarking and Assessment: An Approach to Developing Youth Employment Competency Systems (Olympus Publishing Company, June 7, 1982).

[12]Smokey House Project, A Crew Leader's Work Manual (Danby, VT: 1984).

habits, attitudes, and behaviors, such as punctuality, regular attendance, neat appearance, good working relationships, following instructions, and showing initiative and reliability.

- Basic education skills include mathematical computation, reading comprehension, writing, speaking, listening, viewing, nonverbal communication, and the capacity to use these skills in the workplace.
- Job-specific skills include proficiencies in performing actual tasks and technical functions required by particular jobs, occupational clusters, or employment fields. Secondary job-specific skills include familiarity with and the ability to use setup procedures, safety measures, work-related terminology, record keeping, tools, equipment, and breakdown and cleanup routines.

Labor defines the circumstances under which youths trained in employment competencies can be counted toward meeting performance standards. In June 1986, Labor issued reporting requirements that defined a "sufficiently developed" competency system—that is, what features it must include for the SDA to count competency attainment as a positive termination.[13] In the spring of 1986, Labor also distributed to all states and service delivery areas a detailed technical assistance manual to further explain what Labor viewed as a sufficiently developed system.[14]

Prior to the June 1986 reporting requirements, Labor had not defined requirements for sufficiently developed youth employment competency systems. During JTPA's first 3 years, Labor gave local areas and states advisory guidance through a technical assistance manual developed under contract by Brandeis University.[15] Labor also provided some limited training during annual performance standard training conferences.

In its new reporting requirements, Labor specifies that before an SDA can count youths as positive competency terminations, it must have a sufficiently developed competency system that includes several structural and procedural elements. These elements, expanded upon in Labor's new technical assistance manual, are:

[13]Department of Labor, Employment and Training Administration, "Job Training Partnership Act: Annual Status Report for Titles II-A and III Programs" (Federal Register, June 18, 1986).

[14]National Alliance of Business, A Systems Approach to Youth Employment Competencies, prepared under contract to Technical Assistance and Training Corporation for the Department of Labor, Employment and Training Administration, 1986.

[15]Center for Employment and Income Studies, Brandeis University, An Introduction to Competency-Based Employment and Training Programs for Youth Under the Job Training Partnership Act, prepared for the Department of Labor (Waltham, MA: 1983).

1. The private industry council must approve competency statements that are employment-related, quantifiable, measurable, and verifiable and offer proof of gain as a result of program participation.

2. Each participant's need for competency training must be assessed at the start of the program.

3. Each participant must have an employability development or education plan that documents assessment results and the assignment of the participant to the right learning activities at the appropriate worksites.

4. The system must have focused curricula, training modules, or behavior modification approaches that teach the employment competencies in which youths are found deficient.

5. The participant's achievement must be evaluated at the end of the program.

6. Each youth should be given a certificate of his/her competency attainments.

7. A youth's competency gains achieved through program participation must be documented in the youth's files.

States Have Oversight Role

Although states do not have authority to approve or disapprove the specific skills or competencies selected by local private industry councils, each state is responsible for determining that the systems through which local areas provide training are sufficiently developed. This responsibility flows from the state's role in collecting performance data and administering the performance standard and incentive awards systems. Even before Labor issued requirements for competency systems in June 1986, states were supposed to determine whether a local area had a sufficiently developed youth competency system before counting competency attainments in meeting performance standards.[16]

Information collected by the National Governors' Association in mid-1985, however, raises questions about the extent of state oversight. The Association surveyed the states regarding their administration of JTPA performance standards. Less than half of the responding states (15 out

[16]Department of Labor, Employment and Training Administration, Performance Standards Issuance, No. 1-PY-84, Jan. 31, 1984.

of 34) reported that they had reviewed local SDA youth competency systems to determine whether they were sufficiently developed.

Data on Competency Systems Lacking

Until program year 1986, Labor did not systematically collect data from all SDAs on youth competency training. Thus during JTPA's first 3 years, no comprehensive data were available on how many SDAs were implementing competency systems or how many youths were counted as positive terminations for attaining competencies.

Labor officials did not formally request approval to collect any data related to youth competency systems in 1983, they said, because they believed the Office of Management and Budget (OMB) would disapprove such a request. This belief was not based on any action taken by OMB on proposed data collection before it was formally submitted for Paperwork Reduction Act review. Rather, according to Labor, it was based on discussions in which OMB officials raised two concerns: (1) that it was uncertain whether enough SDAs had competency systems in operation to justify data collection and (2) that a definition of an acceptable system was lacking.

In January 1986, as part of its effort to define requirements for competency systems, Labor did request OMB's approval to revise the JTPA Annual Status Report to include data on the number of youths who (1) were deficient in any competency area, (2) had attained competencies in any competency area, (3) were deficient in each major competency area, (4) had attained competencies in each area, and (5) were counted as positive terminations because of attainment of competencies. Labor planned to use these data to establish a separate youth competency standard for program year 1988. OMB, however, approved only the last data item. Thus, Labor will have data on the number of youths counted as program successes due to competency attainment but none on whether other youths, such as those placed in jobs or those who entered other training, attained any employment competencies that could improve their long-term employability.

Objectives, Scope, and Methodology

We had two objectives in conducting this study:

1. Because the act grants local areas substantial autonomy in establishing youth competency systems and because of the lack of data on such systems, we sought information on the extent and nature of the

systems implemented by the end of program year 1984, the period in which our review began.

2. Given the act's emphasis on program performance and its requirement that attainment of competencies be included as one measure of performance, we sought to determine whether the competency data reported by SDAs to the states gave states an adequate basis on which to judge performance and award incentive grants.

Because of the early stage of development of competency systems, we did not examine the role of competency attainments in the incentive grants actually awarded at the end of program year 1984.

To determine the extent of implementation during program year 1984, we sent brief mailgram questionnaires in April 1985 to all 582 SDAs located in the 50 states and the District of Columbia,[17] asking them whether they (1) had already implemented a competency system, (2) were developing a system, or (3) were not planning a competency system.[18] We also asked for data indicating the competency areas incorporated in the systems. Of the 557 SDAs that responded to the mailgram, 389[19] reported that they had implemented a youth competency system.

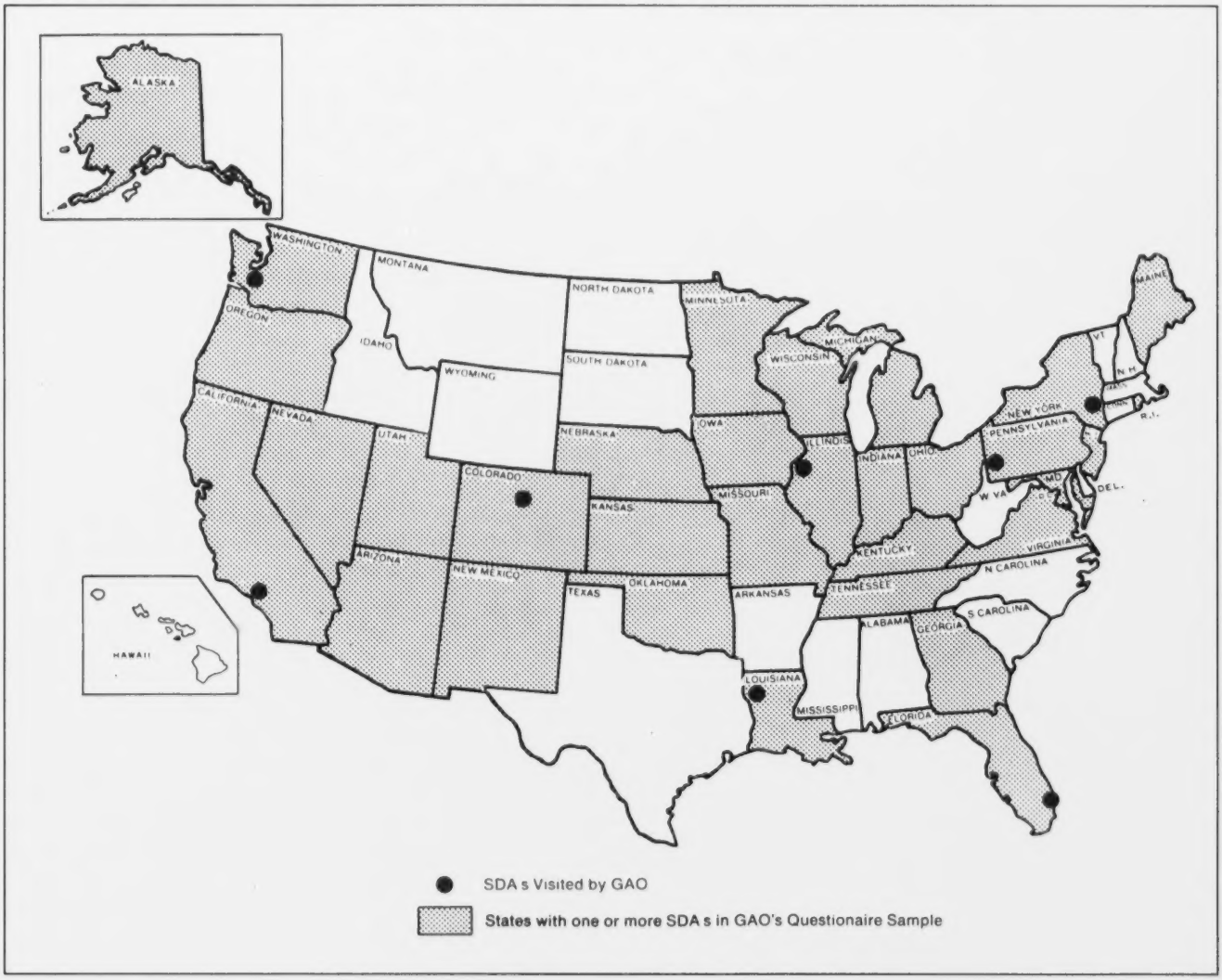
To obtain more complete information on the competency systems, we (1) sent a detailed questionnaire to a random sample of 100 of the 386 SDAs (listed in app. I) that had told us they had already implemented youth employment competency systems and (2) visited a judgmentally selected group of eight SDAs (see app. II) to gather information firsthand about the operation of their systems. The states from which we obtained information either through detailed questionnaires or through visits are shown in figure 1.2.

[17]We did not include the 12 SDAs in the territories in this review.

[18]For our mailgram survey, we did not define an "implemented" system, as Labor had not defined requirements for a "sufficiently developed" system. Each SDA that reported it had implemented a system used its own criteria for making this determination.

[19]At the time we selected our random sample, 386 SDAs had reported implementation of a competency system before or during program year 1984. After we selected the random sample, three more SDAs returned the mailgram reporting that they also had implemented systems. Therefore, a total of 389 SDAs reported implemented systems.

Figure 1.2: States With One or More Service Delivery Areas Surveyed and Eight Locations Visited by GAO



We extensively pretested our detailed questionnaire with officials from local programs. It also was reviewed by JTPA program officials from Labor and several states and by representatives of the National Governors' Association and the National Alliance of Business. As a result of these reviews and pretests, we made numerous changes and improvements to the questionnaire.

The detailed questionnaire was mailed to a random sample of 100 SDAs in June 1985. Of these, 5 told us their competency systems were being developed but were not yet implemented, and 87 completed and returned the questionnaire. Subsequent analysis of data from JTPA Annual Status Reports for program year 1984 indicated that the 95 SDAs in our sample did not differ substantially in program size, program performance, or participant characteristics from the other 289 locations believed to have implemented competency systems. (See app. III.)

For our visits to eight SDAs between July 1985 and February 1986, we designed a standard data collection instrument that closely paralleled the questionnaire but required more detailed information. We selected the eight local areas to yield a mix in terms of geographical location, size of the title II-A youth program, urban/rural characteristics, and the major competency areas in their competency systems (see app. II).

To accomplish our second objective—determining whether states had an adequate basis for judging performance—we compared the information we had obtained about youth competency systems to a criterion that was implicit in the states' use of any data element as a performance measure on which local programs were to be compared: that the reported data element have approximately the same meaning across all locations. For example, in counting "enrolled in other nontitle II training programs" as one type of positive outcome for youth, the state assumes it to have approximately the same meaning from one SDA to another. Thus we used the descriptive information we gathered to determine what SDAs meant when they said a youth had "attained employment competencies" and examined whether the meaning of that term was comparable from one SDA to another. We also interviewed Labor and OMB officials and reviewed documents related to program administration, data collection, and performance standards.

We did our review in accordance with generally accepted government auditing standards.

Extent and Nature of Implementation of Youth Employment Competency Systems

Nearly all (about 91 percent) of the 582 service delivery areas we surveyed reported that they had implemented or were developing competency systems by the end of program year 1984. In our review of systems implemented by June 1985, we found that

- Frequently, SDAs established competency systems because they believed it would make it easier to meet performance standards and the act's requirement that SDAs spend 40 percent of their title II-A funds on youth;
- In developing competency systems, SDAs apparently relied heavily on private industry councils for information on local employer expectations for entry-level employees;
- Pre-employment and/or work maturity training was the primary type of competency training provided by SDAs; and
- Youths still in school were the most typical enrollees in pre-employment/work maturity competency programs, but out-of-school youths were more typical in basic education and job-specific skill training.

Extent of Implementation

As of April 1985, about 63 percent of the 582 SDAs in the 50 states and the District of Columbia reported in response to our mailgram survey that they had "implemented" competency systems, and another 28 percent said they were developing them.[1] Only about 4 percent reported that they neither had nor were developing a system. The remaining SDAs (about 5 percent) did not report the status of their systems.

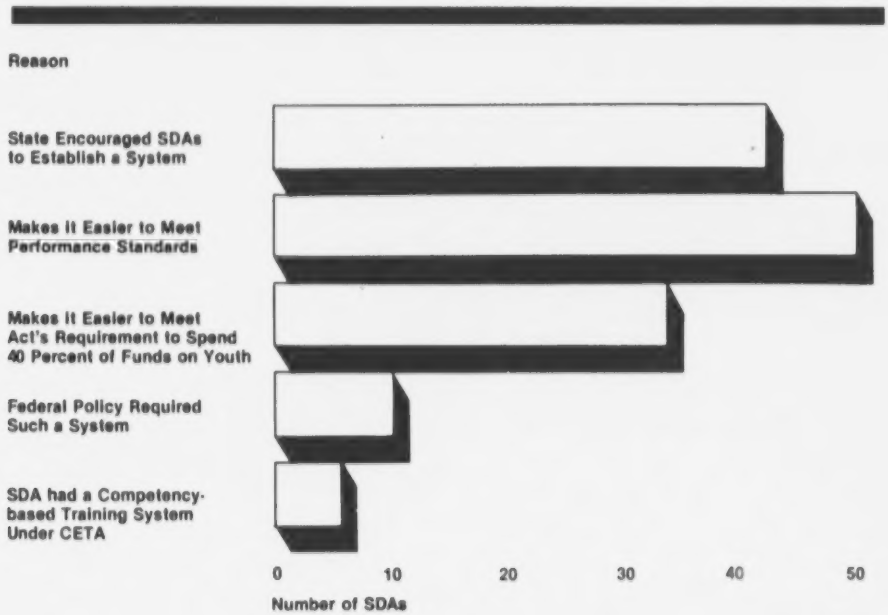
Because, at the time of our survey, Labor had not defined a sufficiently developed youth competency system, we did not define the term "implemented" in the mailgram. Each SDA made its own determination of whether it had implemented a system. To the extent that SDAs' competency systems do not meet Labor's more specific requirements for a sufficiently developed system, the number of SDAs that would now report having an implemented system would be lower. On the other hand, some SDAs that were developing competency systems may now have implemented them.

[1]Although 389 of the 557 mailgram respondents said they had implemented systems, data from our sample of 100 of these SDAs showed a 5.4-percent error rate in describing systems as "implemented" rather than "developing." Applying that percent to the mailgram data yields an estimate of 368 (63 percent) with implemented competency systems and 163 (28 percent) developing systems.

Why SDAs Established Competency Systems

Although the act does not require SDAs to establish competency systems, 32 of the 87 SDAs that responded to our questionnaire said they had established such a system because they believed the state required one.[2] But nearly all (49) of the 50 SDAs that believed they had a choice in whether to establish a system said one reason they had done so was the belief that such systems make it easier to meet performance standards (see fig. 2.1). Many (32) also believed these systems make it easier to meet the act's requirement that SDAs spend 40 percent of their title II-A funds on youth.

Figure 2.1: Reasons Given by 50 SDAs for Choosing to Establish Youth Employment Competency Systems


Reason
State Encouraged SDAs to Establish a System
Makes it Easier to Meet Performance Standards
Makes it Easier to Meet Act's Requirement to Spend 40 Percent of Funds on Youth
Federal Policy Required Such a System
SDA had a Competency-based Training System Under CETA
0
10
20
30
40
50
Number of SDAs

The belief that such systems make it easier to meet performance standards receives some support from a comparison of JTPA Annual Status Report data for SDAs that had implemented systems, were developing them, or lacked systems in program year 1984. Locations that were already more successful on youth performance measures (entered employment rate and positive termination rate) had not implemented a competency system. Conversely, SDAs that had developed or were implementing competency systems were those that, when terminations due to competency attainment were not counted, were less successful on those performance measures. As SDAs without competency systems also were

[2]Respondents for five SDAs did not say why they established competency systems.

enrolling a higher percentage of high school graduates as well, these differences also may reflect different local area policies and emphases on job placements. Appendix IV presents these data.

State agencies often were a major influence in SDAs' decisions to develop and implement youth competency systems. In addition to the 32 SDAs that had established a system because they believed the state required it, 40 others said encouragement from the state had influenced their decision to do so.

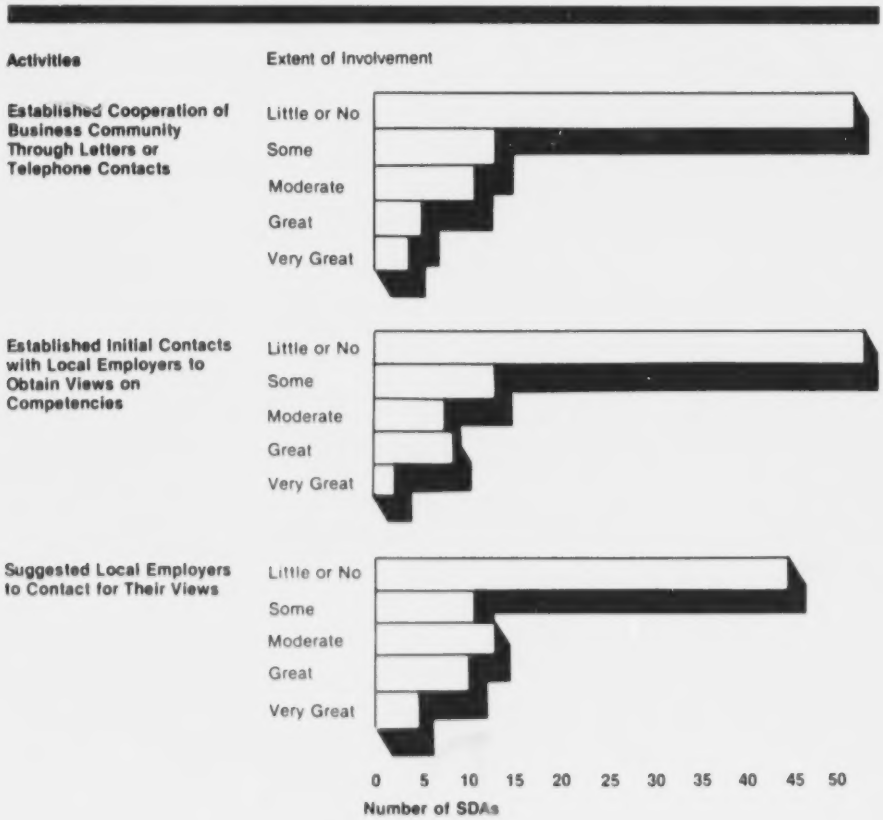
SDAs within the same state sometimes differed in their perceptions of whether the state required a youth competency system. Of the 32 that said the state did, 21 were from 10 states where other SDAs in our sample were also located. SDAs from these 10 states had conflicting views as to whether the state required a system. In each case, some SDAs said competency systems were required while others from the same state said such systems were not required. When we contacted the state JTPA agencies in these 10 states, six told us they did not require the systems, while four said they did.

Private Industry Councils Important in Development of Competency Systems

The act is clear that the development of competency systems is a local responsibility; the specific competencies taught in an SDA are to be approved by the private industry council. Labor's 1986 technical assistance manual emphasizes that competency systems should be based largely on local employers' expectations of competencies for entry-level employees.

In this respect, most SDAs apparently relied on the views of council members as a reflection of such expectations rather than using council members as liaisons to the larger employer community. As shown in figure 2.2, private industry councils in the 87 SDAs responding most often had little or no involvement in facilitating contacts with local employers for their views on competencies.

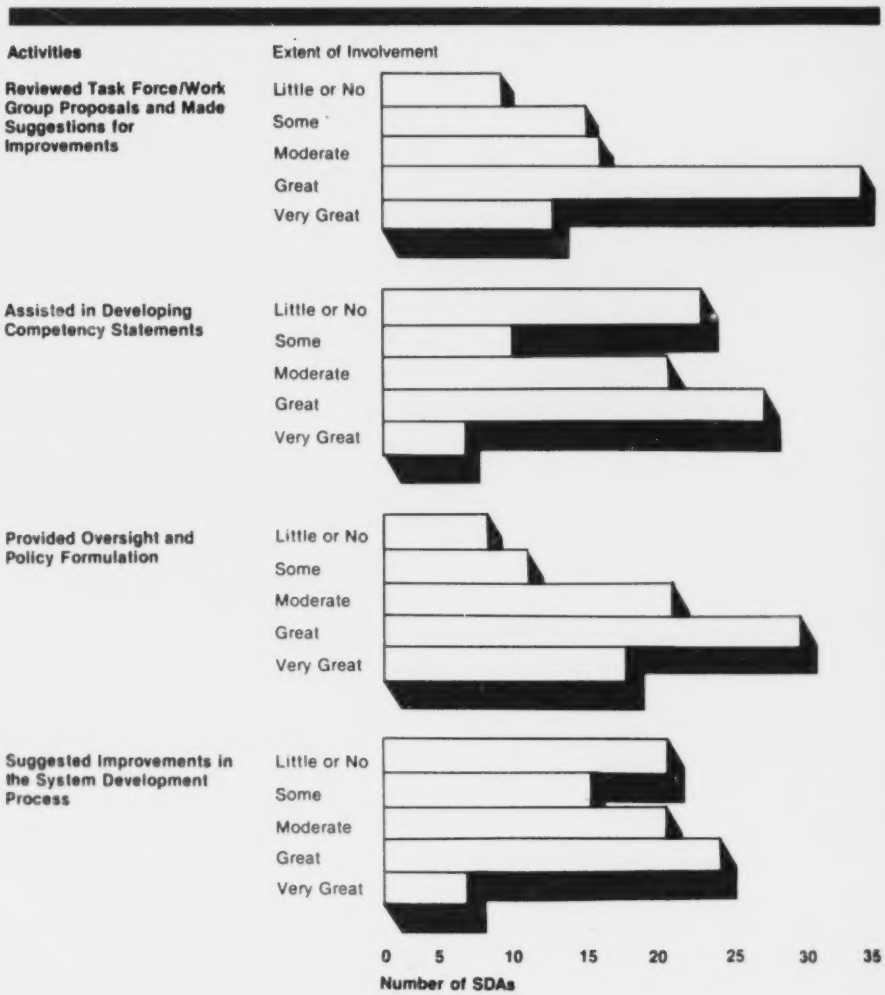
Figure 2.2: Extent of Private Industry Council Involvement as Liaison to Local Employer Community (87 SDAs)


Activities
Extent of Involvement
Established Cooperation of Business Community Through Letters or Telephone Contacts
Established Initial Contacts with Local Employers to Obtain Views on Competencies
Suggested Local Employers to Contact for Their Views
Little or No
Some
Moderate
Great
Very Great
0 5 10 15 20 25 30 35 40 45 50
Number of SDAs

In one location we visited, however, we found that the SDA had used a formal survey to assess local employers' views. In this particular SDA, the private industry council contracted with a community college to survey employers. Of the 2,200 businesses sent the 24-question survey, 425 replied. SDA officials concluded from the results that employers in that locality basically wanted entry-level employees with pre-employment/work maturity and basic education skills. The employers preferred to provide the job-specific skill training themselves through on-the-job training.

Activities in which council members were most often involved, as shown in figure 2.3, were: (1) reviewing proposals of a task force or work group, (2) making suggestions for improving the process used in system development, (3) providing oversight and policy formulation, and (4) assisting in development of competency statements.

Figure 2.3: Extent of Private Industry Council Involvement in Review/ Oversight Activities (87 SDAs)



The eight SDAs we visited used various organizations and information sources in developing their competency systems (see table 2.1). In most cases, the SDA staff played a primary role, but other main sources included (1) organizations such as the National Association of Private Industry Councils and National Governors' Association, (2) representatives of secondary and postsecondary education institutions, (3) the SDA's program operators, (4) state JTPA agency staff, (5) community-based organizations, (6) local employers, and (7) the Department of Labor. Labor unions and other business or industry groups were least used in developing competency systems.

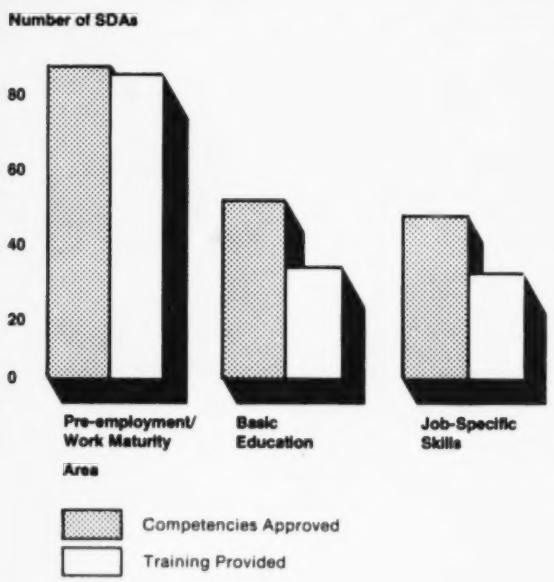
Table 2.1: Organizations and Information Sources Used to Develop Competency Systems in Eight SDAs Visited by GAO

Organization/information source	Number of SDAs using this source
SDA/state JTPA agencies:	
Local SDA staff	7
Local SDA program operators	5
SDAs in own states	4
SDAs in other states	4
State JTPA agency	5
Competency-based system that already existed in the area under CETA	4
Education agencies:	
Local secondary education agency	6
Vocational education agency	5
State education agency	4
Postsecondary education agency	5
Proprietary school	3
Public/private organizations:	
Community-based organizations	5
Professional/public organizations	5
Business or industry groups	2
Labor union/organization	2
Other:	
Local employers	5
U.S. Department of Labor	5
Job Corps material	3
Commercial training packages	4
Paid consultants	3

Major Competency Areas Included in Systems

Of the three major competency areas, pre-employment/work maturity was most frequently included in SDAs' competency systems in program year 1984. Competencies in that area had been approved in all 87 of the SDAs we surveyed, and 84 had trained youths in those competencies. Fifty-one SDAs reported that basic education competencies had been approved by the private industry council, and 38 had trained youths in them. Similarly, councils in 45 SDAs had approved job-specific competencies, and 37 trained youths in them during the year (see fig. 2.4).

Figure 2.4: Competencies Approved and Training Provided in 87 SDAs
(Program Year 1984)

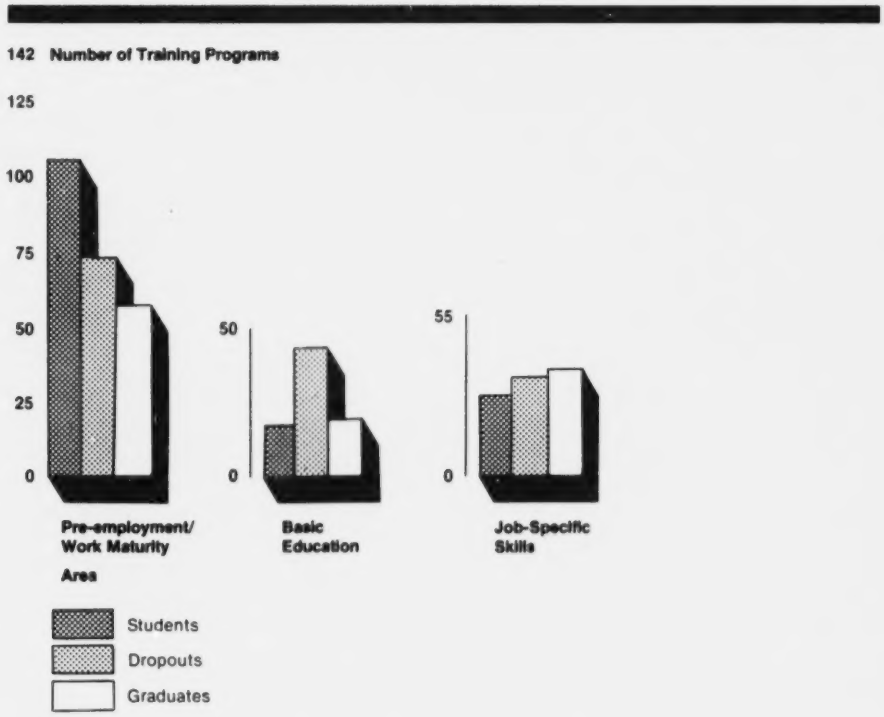


Types of Youths in Competency Training

What types of youths typically are enrolled in competency training programs? When we asked each SDA for such data relative to its two largest programs,[3] officials provided information on 142 pre-employment/work maturity training programs (see fig. 2.5). In-school youths were the most typical enrollees in 106 of these programs. High school seniors, for example, are frequently enrolled in such programs to help them learn how to get and keep jobs when they graduate. Respondents also provided information on 50 basic education programs, citing school dropouts as the most typical enrollees in 42 programs. On the other hand, for 55 job-specific training programs, school dropouts and high school graduates were the most typical enrollees (34 and 35 programs, respectively). Students were least often enrolled in basic education and job-specific skills training.

[3]In developing our questionnaire, we discovered that an SDA typically could not answer certain questions about competency training in the SDA as a whole because the answers differed from one program operator to another. Our solution was to request some information about only their two largest competency training programs.

Figure 2.5: Types of Youths Typically Enrolled in the Two Largest Competency Programs of Each SDA in GAO's Sample



When we asked SDAs the extent to which they targeted training to certain groups of youths and whether it was available to all JTPA participants, we learned that most often dropouts were targeted, that eligibility for competency-based training depended upon the competency area, and that problems of distance from the program or transportation sometimes made training unavailable to potential participants, as discussed below.

Youths Targeted

Many SDAs did not identify any types of youths as priority groups for competency-based training in their SDA, as table 2.2 shows. For SDAs that did, however, the groups most often targeted were: for pre-employment/work maturity training, dropouts (42 SDAs) and potential dropouts (41); for basic education training, dropouts (21) and other out-of-school youths with basic skills deficiencies (15); and for job-specific skills training, dropouts (17) and unemployed high school graduates (15).

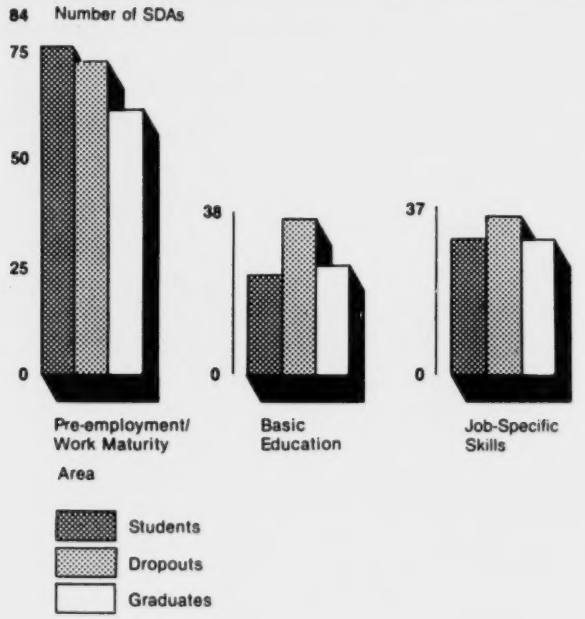
Table 2.2: Priority Groups Targeted for Competency Training by Major Competency Area

	Type of competency training		
Type of youth identified as training priority	Pre-employment/ work maturity (84 SDAs)	Basic education skills (38 SDAs)	Job-specific skills (37 SDAs)
None designated	32	16	15
In-school youth:			
Potential school dropouts	41	11	10
Students with basic skills deficiencies	27	11	5
High school seniors	33	5	13
High school seniors with basic skills deficiencies	23	8	8
Out-of-school youth:			
Dropouts	42	21	17
Unemployed high school graduates or equivalent	23	10	15
Youths with basic skills deficiencies	24	15	12

Youths Eligible to Participate

Many SDAs permitted all types of in- and out-of-school youths to participate in competency training. As figure 2.6 shows, in-school youths and school dropouts were most often eligible to participate in pre-employment/work maturity training. In the basic education area, SDAs most often said they permitted school dropouts to participate. Of the 38 SDAs offering basic education in their competency system, 36 served school dropouts. In the job-specific skills area, students, school dropouts, and high school graduates were allowed to participate with about equal frequency.

Figure 2.6: Types of Youths Permitted to Enroll in Competency Training
(Program Year 1984)



Some SDAs permitted only in-school or out-of-school youth to participate in certain types of competency training. Nine SDAs allowed only in-school youth in pre-employment/work maturity training, while six allowed only out-of-school youth in such training. In the basic education area, only one SDA limited this training to in-school youth; however, 13 limited basic education training to out-of-school youth. In the job-specific area, four SDAs permitted only in-school youth in such training, and seven permitted only out-of-school youth.

Two of the eight SDAs we visited used participants' educational status to limit training. For example, one SDA, which offered training in all three competency areas, allowed only out-of-school youth in its competency programs, because SDA officials viewed out-of-school youth as most in need of training. SDA officials also believed that local school systems provided the training necessary for in-school youth. Another SDA did not provide competency training to high school graduates or individuals who had attained their General Equivalency Diploma. This SDA trained in-school youths and school dropouts.

Geographical and Political Barriers to Participation

Geographical locations and political jurisdictions sometimes made competency-based training unavailable to youths who were otherwise eligible. Thirty-nine questionnaire respondents said that youths living in certain geographical areas might be unable to participate in pre-employment/work maturity training because of distance or transportation problems. Eighteen said the same of basic education training and 17, of job-specific training.

In our visits to eight SDAs we found examples of such situations. In a large single-county SDA, youths who lived in remote mountain cities were unable to participate in the competency program because of the distance and lack of transportation. An SDA official estimated that youths in these areas constituted about 15 percent of the SDA's youth population. In another SDA—a large, metropolitan city—officials estimated that 5 to 10 percent of the youths lived in parts of the city where transportation problems prevented their participation in any title II-A training, including competency training.

Several SDAs also reported, in the questionnaire, circumstances in which youths living in some political jurisdictions within the SDA were ineligible to participate in training conducted in another part of the SDA. We found one example of this in our visits to eight SDAs. In this case, the SDA was composed of two counties, but, in effect, each county operated as a separate SDA. One county had a competency system, but youths in the other county were not permitted to participate in it. These two counties, which had been in different service delivery areas under CETA, were joined as one SDA under JTPA; at the time of our visit, however, the programs in the two counties had not been unified.

Training Activities for Those in Competency-Based Programs

In the questionnaire, we asked each SDA to identify the typical training activities for youths enrolled in its two largest programs that incorporated competency-based training in each major competency area. To understand their responses, one needs to be aware of some of the different ways youths receive training in JTPA. For example, one youth's only training activity while in JTPA might be competency-based pre-employment/work maturity training, while another's might include other training at the same time or before or after a particular competency-based training activity. These other training activities might be competency-based training in other areas (e.g., basic education), or activities outside the employment competency system (e.g., classroom training in basic education that did not use a competency-

based approach). Questionnaire responses described the training activities for youth, but not all these activities were the ones intended to help youths obtain competencies in that major area. Some were concurrent with other training activities, and some might have preceded or followed the competency-based training.

Section 204 of the act allows a wide variety of training activities without defining them in detail; section 205 authorizes and defines in substantially more detail certain "exemplary youth programs." We asked about both types of training.

SDAs described the training activities for youths enrolled in 140 pre-employment/work maturity programs. Youths served by those program operators most typically were involved in counseling (77 programs), labor market information (72), and exemplary pre-employment skills training (64).

Table 2.3: Typical Training Activities for Youths During, Before, or After Competency-Based Training

Typical training activity	No. of programs citing training activity		
	Pre-employment/ work maturity (140 programs)	Basic education skills (49 programs)	Job-specific skills (55 programs)
Non-exemplary activities (section 204 of JTPA):			
On-the-job training	24	4	13
Classroom training, occupational skills	45	13	38
Classroom training, basic education	40	36	7
Limited work experience	37	11	12
Other work experience	29	4	4
Job search	47	15	19
Placement	42	16	20
Vocational exploration	48	10	7
Counseling	77	26	27
Labor market information	72	17	15
Exemplary youth programs (section 205 of JTPA):			
Education for employment	21	11	6
Pre-employment skills training	64	16	11
Entry employment experience, full/ part-time	22	5	12
Tryout entry employment experience	39	6	16
Entry employment experience, cooperative education	12	1	7
School-to-work transition	16	1	2

In 49 basic education competency programs, youths most typically were involved, as might be expected, in basic education classroom training (36 programs). After that, counseling was most frequently mentioned (26 programs).

For youths in the 55 job-specific skills competency programs, occupational skills classroom training was the activity in which they were most typically involved (38 programs). After that, counseling, job placement, and job search were mentioned most frequently.

In our visits to eight SDAs, we found that pre-employment skill training usually was provided in a classroom setting and work maturity skill training was usually provided in an actual job setting at an employer's worksite. Basic education skills, as would be expected, were taught in a classroom setting, and job-specific skills were taught both in the classroom and on the job.

Data Problems Limit Use of Youth Competencies in Performance Standards

The Job Training Partnership Act specifies that performance measures for youth programs include the attainment of competencies. For two reasons, however, states and the Department of Labor are limited in their use of attainment of youth competencies as a measure of performance for title II-A youth programs:

- Lack of comparability among SDAs in the meaning of "competency attainment" and
- Lack of appropriate data for establishing a standard for youth competency separate from one that includes other positive outcomes for youth.

Lack of comparability affects both current youth performance standards and any future standard using competencies as a measure of performance. It stems from SDAs (1) not including the same major competency areas in their youth competency training systems and (2) adopting widely differing minimum requirements for reporting youths to the state as program successes due to attainment of competencies.

With regard to lack of appropriate nationwide data, as we noted earlier, Labor is presently unable to collect the data both Labor and GAO believe are needed to establish a meaningful youth competency standard. This inability stems from OMB's disapproval of its data collection proposal. Thus, any separate competency standard, if established, would be inadequate to assess the effectiveness of local programs in increasing the employability of youths through competency-based training.

Performance Standards Set Nationally but May Be Adjusted by States

Section 106 of the act requires Labor to establish performance standards for adult and youth JTPA programs. Labor has defined seven standards—four for adult and three for youth programs (see table 3.1). The act permits Labor to redefine the standards every 2 years; program year 1988 is the next time they can be changed.

Table 3.1: Title II-A National Performance Standards for Adult and Youth Training Programs
(Program Year 1986)

Type of participant	Measure	Standard (numerical values)
Adult	Entered employment rate - Percentage of adult terminees who entered employment at termination.	62 percent
	Cost per entered employment - Total expenditures for adults divided by the total number of adults who entered employment.	$4,374
	Average wage at placement - Average hourly wage for all adults who entered employment at the time of termination.	$4.91
	Welfare entered employment rate - Percentage of adult welfare recipients who entered employment at the time of termination.	51 percent
Youth	Entered employment rate - Percentage of youth terminees who entered employment at termination.	43 percent
	Positive termination rate - Percentage of youth terminees with a positive termination (entered employment or had an employability- enhancing outcome, such as completing a major level of education or attaining employment competencies).	75 percent
	Cost per positive termination - Total expenditures for youth divided by total positive youth terminations.	$4,900

Current adult and youth standards are based on the actual performance of all, or a representative sample of, SDAs across the nation during program year 1984. For the program year 1986 adult standards, Labor used nationwide program year 1984 data that the Department—with OMB approval—required on the JTPA Annual Status Report. This report is Labor's only source of data on participant outcomes and characteristics for all of the about 600 SDAs in the nation. Each state collects from its SDAs the data required on the Annual Status Report and forwards it to Labor after the close of the program year. Because the Annual Status Report for program year 1984 contained no data on positive terminations due to competency attainment, the Department based the 1986 youth standards on program year 1984 data collected from a representative sample of about one-third of the SDAs across the nation.[1]

Of more immediate interest to states and SDAs, however, is the fact that each state uses these standards to judge the performance of individual SDAs to determine which receive incentive grants for good performance and which require technical assistance or ultimately may be reorganized because of failure to meet their standards for 2 years. Before using the standards to judge performance, however, the state may need to adjust

[1]These data were gathered through Labor's Job Training Longitudinal Survey composed of a sample of 3,501 terminees from a representative sample of 194 SDAs.

the numerical values for each SDA because of local factors that could make it appropriate for an SDA's standards to be higher or lower than the average expected performance.

For example, Labor has identified 14 demographic and economic factors (shown in table 3.2) that warrant raising or lowering the youth "entered employment rate" for an individual SDA. If an SDA's unemployment rate (factor 14) is significantly higher than the national average, it is more difficult for that SDA to find employment for its participants than it is for the "average" SDA. Therefore, other factors being equal, that SDA's entered employment rate standard should be lower than the national standard. On the other hand, another SDA may enjoy a very low unemployment rate, indicating it should be able to place its participants in jobs more easily than the "average" SDA. As a result, its entered employment rate should be higher than that of the "average" SDA.

Table 3.2: Local Demographic and Economic Factors for Adjusting an SDA's "Youth Entered Employment Rate" Standard

Local factor	Direction of change in the standard[a]
1. Percent female	Increase
2. Percent age 14-15	Increase
3. Percent age 18-21	(Decrease)
4. Percent black	Increase
5. Percent Hispanic	Increase
6. Percent Alaskan Native/American Indian	Increase
7. Percent Asian/Pacific Islander	Increase
8. Percent dropouts	Increase
9. Percent students	Increase
10. Percent post-high school attendee	(Decrease)
11. Percent handicapped	Increase
12. Percent offender	Increase
13. Percent welfare recipient	Increase
14. Unemployment rate	Increase

[a]This column shows the direction of change if the local factor is lower than the national average. If the local factor is higher than the national average, the standard would be changed in the opposite direction.

Similarly, for each national performance standard, Labor has identified local factors that warrant adjusting the numerical value of an SDA's standard higher or lower than the national standard. These factors are incorporated into regression models that yield specific weights for each factor. The weights can vary from factor to factor, resulting in some factors having a greater influence than others on the final value of the

standard. For example, to adjust the youth standard for entered employment rate, the difference between the local and the national average unemployment rate is given a weight of 1.134 (absolute value). The weight for "post-high school attendees," on the other hand, is 0.023 (absolute value).

Labor's methodology also recognizes that states may need to make further adjustments beyond those factors identified in the model. For example, if there has been a recently announced plant closing in an SDA, the SDA's ability to place participants in jobs during the next year would not be accurately reflected by the latest unemployment statistics; therefore, the state might choose to decrease that SDA's entered employment rate below the value produced by the model adjustments. On the other hand, if a large employer is scheduled to open a new facility, the state may choose to increase the SDA's standard. In recognition of such possibilities, the adjustment methodology designed by Labor includes a step for making adjustments for special circumstances.[2]

States are not required, however, to use the adjustment methodology designed by Labor. States may choose to develop their own methodology, but it must be systematic and conform to several requirements. For example, the procedure must be consistently applied among the SDAs and must be objective and equitable throughout the state. The adjustment factors used by the state must be limited to

- economic factors,
- labor market conditions,
- characteristics of the population to be served,
- geographic factors, and
- types of services to be provided.

Although states need not use Labor's adjustment methodology, the National Governors' Association found in its survey of states in 1985 that 40 states (82 percent) of the 49 that responded to the survey planned to use Labor's adjustment methodology for setting program year 1985 performance standards.

[2]For a detailed technical assistance guide to these further adjustments, see National Association of Counties, National Governors' Association, and National Association of Private Industry Councils, Beyond the Model: An Approach to Negotiating JTPA Performance Standards, February 1986.

Data Comparability Problems Limit Meaningfulness of Standards

As a performance measure, attainment of competencies differs significantly from other measures in the degree of autonomy granted to the local SDA. For example, although Labor has not in fact provided very specific definitions of program terms, such as "entered employment," the act does not limit its authority to do so for the purpose of measuring how many participants are placed in unsubsidized employment. The act makes it clear, however, that youth competencies are to be defined ("recognized") by the local private industry council. Accordingly, neither Labor nor the state is authorized to define the content of specific competencies for local areas. This requirement reflects the view that appropriate competencies may vary in different local areas, making it undesirable for Labor or the state to prescribe the specific competencies taught at the local level.

Labor and the states do, however, have a direct role in the performance standards arena. Labor has clear authority and responsibility for establishing national performance standards, and each state has clear authority and responsibility for applying those performance standards to the SDAs within that state, including adjusting the standards to provide comparability for SDAs in the state. Each state also has the responsibility to establish procedures for awarding incentive grants based on the SDAs' performance as measured against the performance standards.

Labor recently defined the requirements for a "sufficiently developed" youth competency system. Requiring that all competency systems have these same structural and procedural elements is one way to move toward comparability in the meaning of competency attainment. Our review of program year 1984 systems, however, suggests that two comparability problems not addressed by Labor's systemic requirements can continue to impair the usefulness of the present positive termination rate standard or of any future youth competency standard: the number of major areas in competency systems and the criteria for reporting positive terminations due to attainment of competencies. Both are discussed below.

Labor's Definition of a Sufficiently Developed System

Labor's reporting requirements, effective July 1986, specify that, to be reported as a positive competency termination, a youth must demonstrate proficiency in at least one of the three major competency areas in which he/she was deficient at enrollment. The youth's competency gains in pre-employment/work maturity, basic education, and/or job-specific skills must be achieved through participation in a competency system that incorporates several structural and procedural elements. As

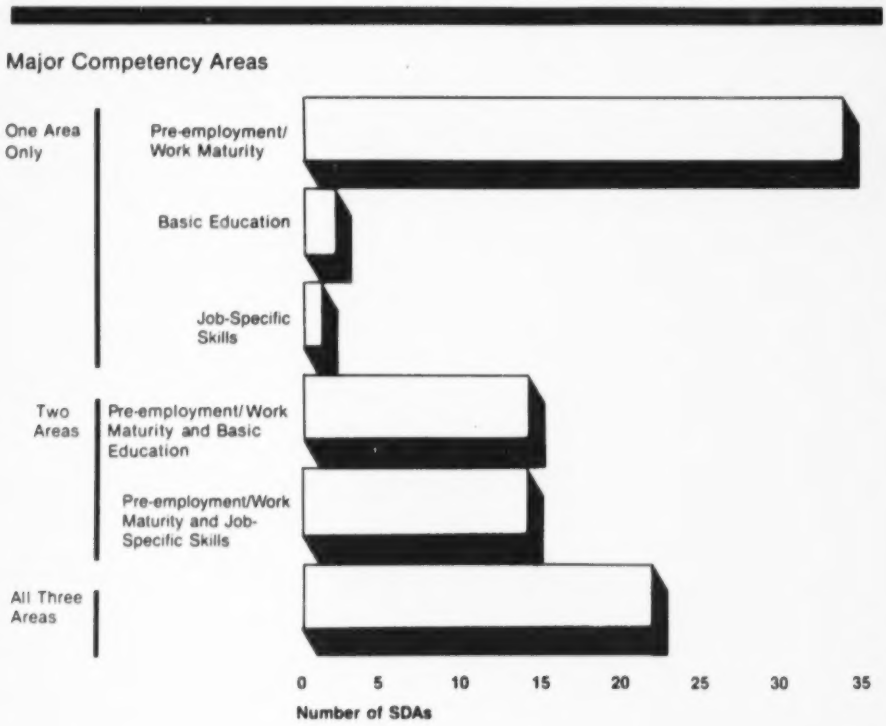
described earlier, the system must include (1) quantifiable learning objectives, (2) related curricula training modules, (3) pre- and postassessment, (4) employability planning, (5) documentation, and (6) certification. To illustrate some of the diversity that existed prior to Labor's reporting requirements, appendixes V to VIII describe the competencies approved in the eight SDAs we visited, and appendixes IX and X describe the initial and postassessment methods used.

We believe that Labor, by providing this definition, has taken an essential step toward assuring that competency performance data are consistent. As described below, however, some definitional problems remain.

Number of Major Areas in Competency Systems Differs

The number of major competency areas included in SDAs' youth competency systems during program year 1984 differed. This diversity can continue under Labor's present definition of an acceptable system because that definition only requires that at least one of the major competency areas be included in a system. Of the 87 SDAs that responded to our questionnaire, 37 provided training in only one competency area, with 34 providing training only in the pre-employment and/or work maturity areas. Twenty-eight SDAs provided training in two competency areas, and 22 in all three areas. The competency area combinations provided by SDAs are shown in figure 3.1.

Figure 3.1: Number of Service Delivery Areas Providing Training in One, Two, or Three Major Competency Areas (87 SDAs)



Implications for Performance Standards and Incentive Awards

The difference in areas included in competency systems means that SDAs are likely to differ also in that some are delivering training that takes longer to complete (thus increasing the cost per positive termination—one of the performance standards) and some are providing training less likely to be completed satisfactorily by the participants (thus decreasing the positive termination rate—another performance standard).

Pre-employment competencies typically can be attained in significantly less time than other types of competencies. For example, as shown in table 3.3, in six of the eight SDAs we visited, the maximum time spent on pre-employment skills was less than 50 hours, and in one case it was only 3 hours. In contrast, for the other competency areas, the time spent was often several hundred hours.

Table 3.3: Maximum Competency Training Hours in the Program Designs of Major Contractors/Trainers of Eight SDAs Visited by GAO
(Program Year 1984)

SDA	Type of training (no. of hours)			
	Pre-employment	Work maturity	Basic education	Job-specific skills
South Florida Employment and Training Consortium	12–13	[a]	320–605	375–650
Boulder County	20–36	[a]	[a]	[a]
Pacific Mountain Consortium	10–20	[b]	52	210
Tri-County Consortium	48	[a]	[a]	[a]
City of Pittsburgh	30	30	[a]	[a]
Dutchess/Putnam	90	500	330–990	[a]
City of Shreveport	3	[b]	[a]	420–960
City of Los Angeles	25–120	250–1,080	120–240	[a]

[a]The SDA's title II-A competency training system did not include training in these competency areas.

[b]Work maturity training was combined with job-specific skills training.

We recognize that Labor's new requirements for competency systems combine pre-employment and work maturity competencies into one major area. To the extent that SDAs provide training in both of these, the discrepancy in training time could be alleviated. But three of the eight SDAs we visited did not include work maturity training in their competency systems (see table 3.3). SDAs that did not offer work maturity training could incorporate it into their competency systems but enroll very few youths in this training and those primarily in pre-employment training. To the extent that any SDAs adopt this practice, the discrepancy in training time for major areas would continue.

Pre-employment training is also characterized by some as less risky for the SDA because it is more likely to be completed satisfactorily by participants than is basic education or job-specific skills training. In the latter two competency areas, youths have to stay in the program longer to attain competencies, and the skills being taught may be more difficult to acquire. For example, school dropouts could tend to be high risks in basic education training programs because they have already dropped out of this type of training once before. Also, if a primary reason for dropping out of school the first time was to get a job, they may be unwilling to remain, without a job, in a JTPA basic education program long enough to attain competencies.

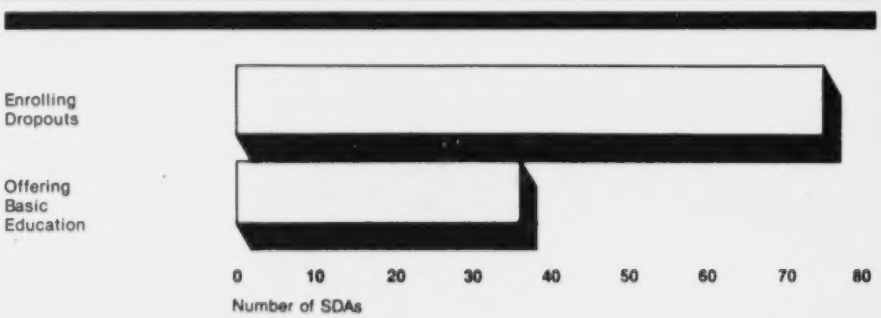
The difference in areas included in an SDA's competency system also involves differences in the likelihood of meeting or exceeding performance standards. Thus, the design of the competency system has a direct

relationship to the incentive awards, which, in turn, influence subsequent SDA decisions about what training to provide. Competency attainment is not the same thing from one SDA to another if in one case it may mean only attainment of competencies that involve little investment of resources and risk of failure (e.g., pre-employment only), but in another may mean quite the opposite (e.g., all three competency areas). Yet the incentive awards could treat these noncomparable outcomes the same. The result would be not only potentially distributing funds inequitably but also discouraging SDAs from providing a full range of competency training. These observations apply to both the current positive termination rate standard and any separate competency standards established in the future.

Implications for Basic Education Training

Another implication of not all SDAs' offering training in the same competency areas is that youths, even those with similar skill deficiencies, may find their training needs more fully met in some SDAs than in others. This possibility was evident from the responses to our survey questionnaire. As shown in figure 3.2, 77 SDAs said they allowed school dropouts to enroll in competency training, but less than half of them (36) included basic education in their competency systems.

Figure 3.2: Number of SDAs Serving School Dropouts and Offering Basic Education Competency Training
(Program Year 1984)



A training program that provides only pre-employment and/or work maturity training may be of limited value for youths, such as dropouts, who lack basic education skills and therefore are likely to develop chronic employment problems. For high school dropouts, labor market opportunities are poor. Their unemployment rates are far higher than those of their graduate counterparts, and they are less likely even to be seeking work. Dropouts who are employed have lower earnings, are more likely to be in semiskilled manual jobs, and report being in lower

quality jobs (e.g., with poorer working conditions).[3] These conditions are not surprising because dropouts generally lack the basic education skills needed to successfully enter higher quality entry-level positions.

We recognize that the SDA may provide basic education training not part of the competency system, and its youth enrollees may have access to basic education training through the local school system or other community organizations. Nevertheless, the importance of access to basic education training is underscored by Labor's interest in incorporating basic education into a standard for youth competency attainment. Departmental goals set in fiscal year 1986 included an intent to require in program year 1988 that an SDA's youth competency system must include basic education (not just pre-employment/work maturity) in order to report attainment of competencies as a positive termination. However, since OMB disapproved Labor's recent data collection proposal on the basis that it encroached on the authority of private industry councils, Labor does not foresee proposing that SDAs be required to include basic education in their systems in program year 1988. Labor believes that OMB would also disapprove such a requirement on the grounds that it could be an encroachment on local authority.

Criteria for Reporting Positive Competency Terminations Differ Substantially

In addition to the diversity in the number of competency areas included in competency systems, significant differences exist in the way SDAs define the minimum competency gains a youth must achieve to be reported to the state as a positive termination due to attainment of competencies. In the absence of guidance, some SDAs have imposed stringent criteria on themselves, while others have adopted criteria making it easier for a youth to be reported as a positive termination under the current performance standards. These differences exist in (1) the SDAs' criteria for defining success within a given competency area and (2) the number of competency areas a youth had to complete successfully to be reported as a positive termination.

Attainment Criteria for Given Competency Area Differ

For each major competency area, we asked each SDA to estimate for its two largest competency programs how many training hours a youth typically needed to meet the minimum requirements for being reported as a positive termination. Their responses indicated that the minimum requirements can vary significantly for the same competency area.

[3]School Dropouts: The Extent and Nature of the Problem (GAO/HRD-86-106BR, June 23, 1986).

A closer look at programs for in-school youth illustrates the differences. SDAs furnished data on 100 pre-employment/work maturity programs for in-school youth. Some programs required only classroom training or only training at a worksite, but others required both. In 53 in-school programs requiring only classroom training, youths on average needed 51 training hours to meet the minimum to be reported as a positive termination (see table 3.4). On the other hand, in 38 in-school programs requiring both classroom and worksite training, youths on average needed over twice as many hours (126) to meet the minimum requirements.

Table 3.4: Training Hours Typically Needed to Meet Minimum Requirements to Be Reported as a Positive Termination in 53 In-School Youth Programs

Competency area/type of training	No. of programs	Hours required for positive termination	
		Mean	Median
Pre-employment/work maturity:			
Classroom training only	53	51	32
Worksite training only	9	87	36
Both	38	126	145
Job-specific skills:			
Classroom training only	7	368	170
Worksite training only	9	245	225
Both	7	492	280

The SDAs also furnished data on 23 job-specific skills programs for in-school youth. Again, some programs required only classroom training; others required both classroom and worksite training. Youths enrolled in seven in-school programs requiring only classroom training, on average, needed 368 hours of training to meet minimum requirements for being reported as a positive termination. But youths in seven other programs requiring both classroom and worksite training needed, on average, an additional 124 hours (492 total) of training to meet minimum requirements.

These data suggest that the criteria for reporting a youth to the state as a positive termination due to attainment of competencies may be easier to meet in some SDAs than in others. In our visits to eight locations, we found that some did impose more stringent criteria on themselves than others (see table 3.3). For example, SDA 1 (our designation) provided only pre-employment competency training. Its private industry council had approved 24 competency requirements, of which a youth had to achieve at least 22 to be reported as a positive termination. This took about 40-48 hours of classroom time. By contrast, SDA 3, which also

offered only pre-employment competency training, had 15 competency requirements, but a youth had to achieve only one of the 15 to be reported as a positive termination. In this case, achieving one pre-employment competency required about 3 or 4 hours of training.

Numbers of Areas Required for Competency Attainment Differ

Even if two SDAs provide training in more than one of the three major competency areas, there may be differences among them in what constitutes a positive termination. As shown in table 3.5, SDA 2 had instituted training in all three of the major competency areas, but considered pre-employment and work maturity to be separate areas. To be reported to the state as a positive competency termination, a youth had to attain competencies in at least three of the four areas.

Table 3.5: Minimum Requirements for Reporting Positive Termination Due to Attainment of Competencies (8 SDAs)

	Competency training areas				
SDA	Pre-employment	Work maturity	Basic education	Job-specific	Minimum requirements for participants
1	X				Attain 22 of 24 competencies approved by the private industry council; about 40-48 hours of classroom training.
2	X	X	X	X	Attain competencies in three of four areas.
3	X				Requirements not set in program year 1984; no positive terminations reported due to competency attainment. Beginning in program year 1985, must attain 1 of 15 approved competencies; about 3-4 hours of classroom training.
4	X	X			Pass 27 of 39 competency requirements.
5	X	X	X		A pilot program in program year 1984; no positive terminations due to attainment of competencies reported, and no minimum criteria adopted by end of year.
6	X	X	X		Attain competencies in all three areas.
7	X	X		X	Complete only the pre-employment training, consisting of one competency; about 3 hours of training.
8	X		X	X	If enrolled in "regular" programs, attain competency in pre-employment and one other area; if enrolled in "special" programs, attain only pre-employment competencies.

By contrast, SDA 7 offered training in pre-employment, work maturity, and job-specific skills but only required attainment in pre-employment skills to be reported as a positive termination. The pre-employment training program involved about 3 hours of interest/aptitude testing, counseling, information on how to search for a job, and identifying sources of further training and education. After completing this short session, each youth was asked to identify his or her vocational interests

and aptitudes. Following this, a youth could fail to attend any additional training but still be reported as a positive termination.

Implications for Performance Standards and Incentive Awards

Differences in SDAs' minimum criteria for reporting positive terminations could render meaningless a comparison of SDA performance standard statistics that include competency attainment data. This observation applies to both the current positive termination rate standard and any separate youth competency standard established in the future.

In providing their own definition of good performance, there is a risk that some SDAs might use criteria that make it relatively easy to report positive youth terminations. If this occurs, it could result in standards that lack comparability from one SDA to another. If SDAs that have imposed more stringent criteria on themselves perceive that they are losing incentive award money to others with less stringent criteria, they might lower their own criteria to compete for incentives. As a result, incentive awards would function to encourage smaller rather than larger enhancements of youths' employability.

Adjusting Performance Standards for Data Comparability Problems

As we pointed out earlier, most states use Labor's methodology to adjust the performance standards for local demographic and economic factors. States are aware also of the possibility of making additional adjustments for such factors as services provided. These adjustments can be used by the state to compensate for the comparability problems in competency data reported on the JTPA Annual Status Report.

Labor's technical assistance guide on setting performance standards for program year 1986 includes a section on further adjustments by the governor of a state.[4] It identifies adjustments not recommended (e.g., setting more lenient termination rates for SDAs that have no youth competency systems) and cites several circumstances in which adjustments may be desirable (e.g., an SDA develops a competency system that requires the mastery of many specific elements in each competency area, which makes competency attainment more difficult for participants).

The states could instruct SDAs to provide detailed descriptions of their competency systems and their minimum criteria for reporting youths as

[4]Department of Labor, Employment and Training Administration, Guide for Setting JTPA Title II-A Performance Standards for PY 86, June 1986.

positive terminations due to attainment of competencies. Using this information and competency data collected through the state's data collection system, states could develop methods for making a variety of adjustments. For example, the state could set a lower positive termination rate for SDAs that have more stringent criteria for reporting attainment of competencies and a higher rate for SDAs with less stringent criteria. Similarly, to account for differences in the major competency areas included in their youth competency systems, the state could set a higher positive termination rate for SDAs that provide only pre-employment/work maturity competency training and a lower rate for an SDA that also provides basic education and/or job-specific competency training. Also, the standard for cost per positive termination for those providing training in basic education and/or job-specific competencies in addition to pre-employment/work maturity could be set higher.

Labor's technical assistance guide gives an example of using a "weighted average" approach to adjust for program design differences. With this approach, an SDA's terminees are divided into two (or more) groups, e.g., those in the usual employability enhancement programs and those in programs in which competency attainments are difficult. A reasonable positive termination rate for each group is then determined and a weighted average of the standards calculated using the proportion of terminees in each group as weights. An alternative approach would be the adjustment to specific measures described in "Beyond the Model."[5] One way to use this approach would be to apply the weights, not on the basis of the activities in which youths are enrolled, but on the basis of their reason for being a positive termination. Youths who are "positive" because of attaining competencies in several areas with stringent criteria for attainment in each area would be weighted more heavily toward the positive termination rate than those who are "positive" only because of attainment, easily obtained, in one area such as pre-employment/work maturity.

Although Labor has informed states that they may need to adjust performance standards to take into account competency system design issues, there are two limitations, in GAO's opinion, to Labor's actions as of the beginning of program year 1986:

[5]National Association of Counties, National Governors' Association, and National Association of Private Industry Councils, Beyond the Model: An Approach to Negotiating JTPA Performance Standards, Feb. 1986.

1. Labor has not clearly recommended to all states and SDAs that they make these adjustments. An appropriate mechanism for doing so would be the Training and Employment Information Notice (TEIN), Labor's primary means of communicating JTPA policy information.

2. Labor has disseminated the technical assistance guide to all states and SDAs and offered training sessions at a few regional locations. The information covered, however, is much broader than the specific adjustments for competency systems. States will need substantial additional assistance from Labor on how to obtain the data needed within their state and how to make these adjustments.

Appropriate Data Lacking for Establishing a Separate Competency Standard

In directing Labor to establish performance standards, the act cited several factors for evaluating performance of youth programs, such as placement in unsubsidized employment or achieving an employability-enhancing outcome such as completing a major education level, enrolling in other training programs or attaining employment competencies. Competency attainment is currently included as one of several factors in the positive termination rate, but appropriate data are lacking for establishing the separate competency standard proposed by the Department of Labor and the Senate Committee on Labor and Human Resources.

Use of Youth Competencies in Current Performance Standards

Although the act cites competency attainment as a performance factor, the performance standards originally proposed by Labor did not include competency attainment as a measure of good or "positive" performance. Many in the JTPA community objected to the absence of youth competencies in the proposed standards. As shown in table 3.6, the originally proposed standards, announced in April 1983 while local areas were planning their initial JTPA programs, focused strongly on job placement. As a result, critics were concerned that service levels for in-school youth, school dropouts, and disadvantaged youth could suffer, because SDAs might give priority to persons with greater job placement potential. Allowing SDAs to count competency attainment as positive performance, it was hoped, would provide a greater incentive to enroll those youths less likely to be placed in jobs.

Table 3.6: Performance Standards Established by Labor for Title II-A Youth Programs

Measure	Standard	
	Originally proposed	Actual 10/83 to present
Entered employment rate	Percent of total youth terminees who entered employment at termination.	Same as original proposal.
Positive termination rate	Percent of total youth terminees with a positive termination (entered employment or achieved an employability enhancement, excluding competency attainment).	Percent of total youth terminees with a positive termination (entered employment or achieved an employability enhancement, including competency attainments).
Cost per positive termination	Total expenditures for youth divided by the total youth with a positive termination.	Same as original proposal.

In October 1983, the month when JTPA was initially implemented, Labor notified the states that they could count youth terminees who attained competencies as "positive terminations" for measuring the performance of SDAs' youth programs.[6] Thus, the attainment of competencies—in addition to job placement and other employability-enhancing outcomes, such as returning to school—became a factor that could influence the award of performance incentive grants by the states. Labor itself, however, did not collect any data on the number of positive competency terminations for all SDAs nationwide until July 1986, and these data will not be available until after June 1987.

The impact of counting competency attainment as a positive termination is highlighted by data on the extent to which competency attainments contributed to positive termination rates in program year 1984. In SDAs that reported positive competency terminations to the state and for which we were able to obtain competency termination data, the competency terminations sometimes made a sizeable difference in the positive termination rate. For 65 locations in our questionnaire sample, the average positive termination rate was higher by 21 percent (78 rather than 57 percent) when it included the competency terminations than when they were not included.

[6]Under the reporting requirements established by Labor for the JTPA Annual Status Report, each positive youth termination reported by an SDA must be categorized as a positive termination due to placement in a job or to having achieved an employability-enhancing outcome, such as attaining competencies. A youth cannot be reported in more than one positive termination category.

Options for Use of Competency Data in Performance Standards

Three options for a performance standard incorporating youth competencies emerged from our own analysis and from our discussions with Labor officials, local SDA staff, and representatives of relevant interest groups. The options are outlined in table 3.7 and discussed in the following sections.

Table 3.7: Options for Performance Standards Incorporating Youth Competencies: A Comparison

	Characteristics			
			Labor is collecting data to	
Option	Provides a separate youth competency standard	All youths' competency attainments are reported	Set this standard	Develop methodology for competencies' adjustment
1. Current positive termination rate (competency attainments combined with other positive terminations)	No	No	Yes	No
2. Competency termination rate (positive terminations due only to competency attainment)	Yes	No	Yes	No
3. Attained competency rate (all competency attainments)	Yes	Yes	No	No

Option 1. Continuing to count competency attainment as one of several factors in the positive termination rate standard. This is distinguished from the other two options primarily by the fact that it does not constitute a separate standard for employment competencies—a type of standard in which both Labor and some Members of Congress have expressed interest.

Arguments can be made both for and against having a separate competency standard, but GAO does not have a basis for supporting either position. Labor and the Senate Committee on Labor and Human Resources describe a separate standard as a way to encourage provision of competency-based training. Labor, for example, has asserted that failure to collect the data necessary to set a separate competency standard would continue to focus program design and service delivery on placement rather than on the employability skills of youth. On the other hand, the current performance standards already encourage SDAs to implement youth employment competency systems. Labor's program year 1986 guidance on setting performance standards points out that the positive termination rate was deliberately set at a level that would be hard for an SDA to attain if it lacks a fully developed youth competency system. Labor's position is that sufficient time has elapsed for

SDAs to have established youth employment competency systems, so states should not set more lenient positive termination rate standards for those that do not have systems in place. Even though the act does not require SDAs to establish competency systems (leaving that decision to local discretion), Labor's standard-setting already can put at a disadvantage a local program that chooses not to have a competency system or chooses to enroll few youths in competency-based training. To establish a separate standard would go even further in what some could see as an encroachment on local prerogative.

Option 2. Positive terminations due only to competency attainment. Because this would be a separate standard for employment competencies, it would satisfy the concerns of those in the employment and training community who want to provide greater visibility to attainment of competencies as a positive outcome for youth. It would isolate terminations that were positive only as a result of attaining competencies from the other positive terminations due to job placement or achievement of other employability-enhancing outcomes, such as enrolling in other training programs. Under this option, the separate competency standard would refer to the percentage of total youth terminations that were due only to competency attainments (positive competency terminations). With the data collection OMB approved for program year 1986 (the total number of youths with a positive termination due only to competency attainment), Labor could establish this type of standard (option 2) for program year 1988. Labor officials, however, do not view such a standard as adequate—nor does GAO. As with option 1, under option 2 these data would not provide information about local programs' success in increasing the employability of youth, which requires data on whether all youth receiving competency training (even those, for example, placed in jobs) attained competencies.

Option 3. Attainment of competencies by all youths enrolled in an SDA's competency program. This option would not focus on whether youths were counted as "positive terminations," but on whether those who entered the program with specific skill deficiencies attained those skills while in the program. Under this approach, one would determine how many youths—even those placed in jobs—were deficient in employment competency skills when they enrolled and then how many attained those skills in the local program. It would provide the additional visibility of a separate standard for employment competencies while at the same time encompassing all those who received competency training.

Collecting the data necessary to set and implement that standard under option 3, Labor could also develop a methodology states could use to adjust performance standards to correct for one of the comparability problems we found—differences in the competency areas included in SDAs' competency systems. But the states would still need to adjust the standard to correct for differences in the minimum requirements for reporting positive competency outcomes. (Under options 1 and 2, states would have to develop their own adjustment methodologies for both the competency areas included in SDA competency systems and the criteria used, since that information is not available at the national level.)

With the current data collection procedures, however, Labor will not be able to set a standard of this type (option 3). In January 1986, Labor requested OMB's approval to collect the additional data, giving its intent to establish a standard for competency attainment in program year 1988 as one reason for needing the data. Labor wanted to determine the number of youths who enrolled with competency deficiencies and the number who attained those skills while in the program for each major competency area as well as for those deficient in, and attaining competencies in, any area. With these data, Labor would have been able not only to set a national standard for attainment of employment competencies but also to develop a methodology for states to use in adjusting the standard to take into consideration the major competency areas in which SDAs were providing training. Lacking those data, Labor does not believe it has the data it needs to set a separate competency standard.

OMB disapproved Labor's request to collect data on the numbers of youths who had deficiencies and who attained competencies. OMB's position is that the data collection it did approve is sufficient to satisfy Labor's statutory mandate to include the attainment of employment competencies in evaluation of the performance of youth programs and is also sufficient for Labor to establish a separate competency standard if Labor chooses to do so. In OMB's view, collecting data more detailed than the number of positive terminations due to attainment of competencies would intrude on the local private industry council's authority to define youth competencies and implement programs to meet those competencies. OMB officials also indicated to us that—other things being equal—their decision would probably be the same even if Labor were proposing to establish a separate competency standard because the Congress required it.

In commenting on a draft of this report, OMB further explained the issues it considered in making a decision on Labor's request. Those issues are discussed at the end of this chapter.

GAO agrees with OMB that the data now being collected on the JTPA Annual Status Report are adequate for Labor to include competency attainment in some measure of performance. But we do not agree that they are adequate to establish a separate competency standard nor that the request for data in itself encroaches on the local programs' authority. We recognize, however, that OMB was acting within its authority under the Paperwork Reduction Act to ensure that any proposed collection of information is—in OMB's opinion—necessary for the proper performance of the agency's function, does not duplicate existing collections, and imposes minimum burden on the public.

Conclusions

The states' responsibility under JTPA for awarding incentive grants, based on performance, makes it incumbent upon the states to assure that the performance standard system is used in a way that results in an equitable and appropriate distribution of the money. A state must assure that one SDA does not gain an unreasonable competitive edge over another merely because of program design differences or the criteria used to report the program successes to the state. If that happens, the incentive awards could operate to discourage providing comprehensive high-risk training, such as basic education, and to encourage providing very minimal, low-cost training. States should assure consistency and fairness in the application of performance standards and the awarding of incentive grants. This can best be accomplished by adjusting performance standards to compensate for differences in program design. Labor needs to provide policy support and technical assistance to facilitate states' making these adjustments.

If a separate competency standard is to be established, we believe that the standard should be based on all youths enrolled in an SDA's competency program who attained competencies (option 3 in table 3.7). Such a standard would assess SDAs' success in youths' attainment of competencies in those areas recognized as important by the local programs. In addition, Labor should develop a methodology for states to use in adjusting the standards to account for the competency areas in which SDAs provide training. In program year 1986, however, Labor is not collecting the data necessary to set and develop an adjustment methodology for this kind of standard, and it seems unlikely the OMB will

approve such data collection unless legislative changes are made to clearly establish Labor's authority to do so.

Recommendation to the Secretary of Labor

The Secretary of Labor should (1) recommend that states adjust the positive termination rate and the cost per positive termination standards for youth programs to compensate for differences in SDAs' competency systems and (2) provide technical assistance to help states make these adjustments. The Secretary should advise the states that the following types of adjustments are needed:

- Set a higher positive termination rate for SDAs that offer only pre-employment/work maturity competency training than for SDAs that also offer basic education and/or job-specific skills training.
- Allow a higher cost per positive termination for SDAs that offer more costly training, such as training in basic education and/or job-specific skills than for SDAs that provide only pre-employment/work maturity skills training.
- Allow a lower positive termination rate for SDAs that have more stringent criteria for reporting positive competency terminations to the state than for SDAs that have less stringent criteria.

Recommendation to the Congress

If the Congress chooses to require a separate competency standard, we recommend that the standard apply to all youths who attain competencies and that JTPA be amended to enable Labor to collect the data necessary to establish and develop an adjustment methodology for such a standard.

Agency Comments

The Department of Labor, in November 20, 1986, comments on a draft of this report (see app. XII), described the report as extremely thorough in its description of competency systems as of June 30, 1985, and perceptive in analyzing and portraying the complexity of issues involved in the use of competency attainment data. It concurred with our recommendation to Labor and expressed the intent to continue to provide policy guidance and technical assistance to states through the annual performance standards technical assistance guide and training conferences. Labor indicated that it expects to give additional emphasis in the future to adjusting the performance standards to account for differences in local competency programs.

The Office of Management and Budget, in November 21, 1986, comments on a draft of this report (see app. XIII), confined its remarks to our presentation of OMB's disapproval of the proposed additional data elements for the JTPA Annual Status Report concerning youth competency attainment. In OMB's opinion, our draft report did not address adequately the concerns that led it to disapprove part of Labor's 1986 data collection request. In addition, OMB requested that we clarify language that inaccurately implied that OMB had taken action on a previous data collection request before it was formally submitted to OMB for review. This clarification has been made in the final report text (see pp. 18 and 51).

OMB commented that two major concerns led it to disapprove Labor's request: (1) the proposed data collection would encroach on the prerogative of the private industry councils and the states to define what constitutes a youth competency and a youth competency system and (2) the data would be used to develop a very detailed performance measure that could not be applied fairly across SDAs nationwide.

OMB described the JTPA program as a "partnership" between federal, state, and local governments and between these governments and the private sector as represented by the private industry councils. The Secretary of Labor is required to establish performance standards for youth programs on the basis of, among other factors, the attainment of employment competencies recognized by the private industry council. Each private industry council, as part of the partnership, has responsibility for deciding on the specific competencies in which attainment will be assessed, and the act does not authorize the Secretary to define those competencies or to prescribe what should be included in a competency-based system.

With this partnership in mind, OMB has attempted to limit regulatory and paperwork requirements so as to provide maximum flexibility to state and local officials. OMB said that it agreed with the comments of states and local private industry councils that opposed the proposed data collection on three points: (1) the approved data were sufficient to establish a performance standard, (2) collecting data on the number of youth who attained and were deficient in each of the major competency areas (pre-employment/work maturity, basic education, and job-specific skills) or in any one of those areas would encroach on local authority to define what constitutes a youth competency and to determine what should be included in a youth competency-based training system, and (3) those data would not be useful because they vary so much across SDAs. To collect the data Labor requested was described by one state as

serving to "coerce" SDAs toward the development of youth competency systems designed to obtain high rates of attainment of competencies—a policy seen as directly counter to the intent of the act. OMB said that state's comments, in effect, summarized the concerns of those who objected to the proposed data collection.

OMB also was concerned that Labor had not discussed the youth competency data elements with the JTPA Performance Standards Advisory Committee even though states and private industry councils play such critical roles in administering JTPA. (The Committee, which contained representatives from all parts of the JTPA system, including states and private industry councils, was established by Labor as a forum for discussing performance standards issues.)

OMB's second major concern was that the data would be used to develop a very detailed performance measure that could not be applied fairly across SDAs nationwide. OMB was concerned about the subjective nature of the terms "deficient" and "attained," which vary across states and SDAs. At the same time, it felt that Labor should not define what the needs of local youth are (i.e., what a "deficiency" is) and when those needs have been met (i.e., what "attainment" is)—that the issue of consistency of youth competency measures across SDAs is properly a question to be resolved by the individual states and their SDAs.

OMB's first concern—that the data collection would encroach on local authority—appears to have two components. Collecting the data is seen, in itself, as an encroachment on local authority. In addition, to collect data that are not necessary to establish a performance standard or to collect data that would not be useful to Labor are seen as inconsistent with OMB's federalism and regulatory relief concerns, i.e., they unnecessarily impose reporting requirements on state and local officials.

We do not agree with OMB that requiring information on deficiencies and attainments, in itself, encroaches on the authority of the private industry councils to define competencies and competency systems. Each private industry council would still need to decide whether to provide competency-based training, which major areas to include in that training, and, within each area, the definitions and means of assessing deficiencies and attainments.

We also believe that the data would be useful even though local definitions of "deficient" and "attained" differ. Labor has established definitions which will assure some degree of comparability among SDAs in the

data reported. With the data collection it approved, OMB also approved reporting requirements that describe the three major competency areas in which attainment can be counted as a "positive" termination. The reporting requirements also specify that the competency gains must be achieved and tracked through systems that are "sufficiently developed," i.e, that include certain specific features such as quantifiable learning objectives and pre- and postassessment.

We agree with OMB that the data elements approved by OMB are sufficient for Labor to meet its statutory mandate to include competency attainment in performance standards. But additional data would be needed if a separate competency standard were to be established. Labor and some Members of Congress see a separate standard as a way to encourage local programs to emphasize enhancement of youths' long-term employability rather than just immediate job placement. But one could argue that the current standards put enough emphasis on competency attainment, and a separate standard would put undue pressure on SDAs. GAO does not have a basis for supporting either position. Therefore, we are making no recommendation on this matter.

We believe, however, that if a separate youth employment competency standard is to be established, information on the total number of youth who have attained youth competencies recognized by the private industry council will be needed—information that is not being collected at this time (program year 1986). The instructions for reporting data to the states and to Labor explicitly state that youths who entered unsubsidized employment should not be counted as having "attained PIC-recognized youth employment competencies" (even if they attained competencies), nor should those who are counted as having attained any other outcome that enhances their employability (such as entered other nontitle II training). The data element that would have reported the total number of youth who attained competencies was disapproved by OMB along with other basic data on competency attainment in each of the three major areas already defined by Labor.

Regarding OMB's second major concern, we agree with OMB that states and SDAs have a responsibility to encourage consistency in the use of youth competency data across SDAs. This concern led to our recommendation to Labor. We believe that if states, with Labor's assistance, develop methodologies to adjust for differences among local programs, a foundation for meaningful and fair performance measures would be established. Our recommendation to the Secretary of Labor regarding

adjustments is intended to help make the current performance measures, which include competency attainment, and a separate competency standard, if one is established, more meaningful and useful to all the partners in JTPA.

Service Delivery Areas Sent GAO Questionnaire on Youth Employment Competency Systems

State	SDA name	SDA location
Alaska	Balance of state	Juneau
Arizona	Maricopa County[a]	Phoenix
California	Marin County	San Rafael
	Richmond City	Richmond
	San Francisco City/County	San Francisco
	San Mateo County	Redwood City
	Monterey County[a]	Salinas
	Mendocino County[b]	Ukiah
	Nortec	Chico
	Napa County	Napa
	Solano County[a]	Fairfield
	Los Angeles City	Los Angeles
	Los Angeles County	Los Angeles
	Orange County	Santa Ana
Colorado	Pueblo Consortium[a]	Pueblo
Florida	Brevard County	Merritt Island
	Northwest	Tallahassee
	Hillsborough County	Tampa
	Pinellas County	Clearwater
Georgia	Clayton County	Jonesboro
	Heart of Georgia	Milledgeville
	Middle Georgia	Macon
	Savannah/Chatham	Savannah
	Southeast	Valdosta
Illinois	Champaign Consortium[a]	Champaign
	Chicago City	Chicago
	Rock Island Consortium	Rock Island
	Tazewell Consortium	Pekin
	Whiteside Consortium	Sterling
	Will County	Joliet
Indiana	East Central Consortium	Portland
	Hoosier Falls	Jeffersonville
	Tecumseh Area	Covington
Iowa	Western Iowa (SDA #4)[b]	Sioux City
Kansas	Pittsburgh Consortium (SDA #5)	Pittsburgh
Kentucky	E. Kentucky CEP	Hazard
	North Central Kentucky	Louisville
	Northern Kentucky	Florence
Louisiana	Fourth Planning District	Opelousas
	Sixth Planning District[b]	Jena
	East Baton Rouge	Baton Rouge
	Orleans Parish	New Orleans
	Ouachita Parish	Monroe
	Shreveport City	Shreveport
Maine	Cumberland[a]	Portland
Maryland	Lower Shore	Snow Hill

State	SDA name	SDA location
Michigan	Berrien/Cass/Van Buren	Dowagiac
	Downriver Community Conf.	Southgate
	Eastern Upper Peninsula	Sault Sainte Marie
	GRAETC II	Grand Rapids
	Lansing Tri-County	Lansing
	Macomb/St. Clair	Mt. Clemens
	Mid-Counties Consortium	Battle Creek
	Region II Consortium	Jackson
	Washtenaw/Ann Arbor/ Livingston Consortium	Ann Arbor
Minnesota	Duluth City	Duluth
	North/West Minnesota[a]	Crookston
	Rural Minnesota CEP	Detroit Lakes
Missouri	Trenton (SDA #1)	Trenton
	Lake of the Ozarks (SDA #9)[a]	Camdenton
	Cape Girardeau (SDA #11)[b]	Cape Girardeau
	Balance of St. Louis (SDA #13)	Clayton
	St. Charles (SDA #14)	St. Charles
Nebraska	Greater Omaha	Omaha
Nevada	Southern Nevada	Las Vegas
New Jersey	Bergen County	Hackensack
	Camden County	Stratford
	Cumberland/Salem	Bridgeton
	Monmouth County	Asbury Park
	Newark City	Newark
	Sussex/Warren[b]	Newton
New Mexico	Albuquerque Consortium	Albuquerque
New York	Buffalo-Erie PIC	Buffalo
	Oyster Bay Consortium	Oyster Bay
Ohio	Scioto Consortium	Portsmouth
	Central Ohio Consortium	Newark
	Miami Consortium	Troy
	Montgomery Consortium	Dayton
	Toledo Area	Toledo
Oklahoma	North Central	Watonga
Oregon	Mid-Willametta	Salem
	Oregon Consortium	Albany
Pennsylvania	Allegheny Consortium	Pittsburgh
	Beaver County	New Brighton
	Northwestern Consortium	Clark
	Central Region	Shamokin
	Philadelphia City/County	Philadelphia
	Pittsburgh City	Pittsburgh
	York County	York
Rhode Island	Northern Rhode Island	Providence
Tennessee	Jackson (SDA #12)	Jackson
	Morristown (SDA #2)	Morristown
	Nashville/Davidson (SDA #9)	Nashville
	Dyersburg (SDA #13)	Dyersburg

State	SDA name	SDA location
Utah	Southeast Consortium	Price
Virginia	Capitol Area Central Piedmont	Richmond Boones Mill
Washington	PENTAD Consortium	Wenatchee
Wisconsin	WOW (SDA #12) West Central (SDA #11)	Waukesha Menomonie

[a]Among the eight SDAs that did not respond to GAO's questionnaire.

[b]Among the five SDAs that originally indicated a system had been developed, but later in the questionnaire said that no system was in place, but the SDA was developing one.

Characteristics of Eight SDAs Visited by GAO

Characteristic	South Florida (Miami)	Boulder (CO)
Program size[a]	1,602	126
Urban/rural	Primarily urban	Urban/rural—large rural area
Counties	2	1
Cities	3	•
Major competency areas (program year 1984):		
Pre-employment	X	X
Work maturity		
Basic education	X	
Job-specific skills	X	
Population (total)	1,813,969	198,384
Economically disadvantaged	245,004	4,047
Economically disadvantaged youth	37,073	604
Area (square miles)	3,088	748
Experience in any competency training under CETA	Yes	No
Expenditures		
Title II-A, total (program year 1984, in thousands)	$11,138.3	$499.9
Youth competency training (est. for program year 1984)	Not available	$29,677
Required minimum expenditures on youth (program years 1984-85) (percent)	31	40
Title II-A allotment spent on youth (program year 1984) (percent)	29	13.8

Pacific Mountain Consortium (Olympia, WA)	Tri-County Consortium (Rock Island, IL)	Pittsburgh City (PA)	Dutchess/ Putnam (Poughkeepsie, NY)	Los Angeles City (CA)	Shreveport City (LA)
471	345	239	134	2,609	199
Urban/rural—4 rural counties	Urban/rural	Urban	Urban/rural	Urban	Urban
5	3	•	2	•	•
•	•	1	•	1	1
X	X	X	X	X	X
X		X	X	X	X
X			X	X	
X					X
305,900	228,367	423,938	322,248	2,966,850	205,820
39,290	6,754	105,410	33,477	764,086	47,971
6,000	1,545	12,509	3,864	97,390	5,898
6,917	1,836	56	1,058	464	100
No	Yes	Yes	Yes	No	No
$2,755.2	$2,383.4	$3,135.1	$949.6	$20,694.0	$1,199.4
$152,159	$42,170	$1,983	$285,657	$137,143	$168,196
38.2	36.4	30	33.3	39	40
39.4	28	22	40.9	31	29

[a]No. of title II-A youth terminations in program year 1984.

Comparison of SDAs in Questionnaire Sample With Other SDAs With Competency Systems but Not in Sample

Aspect/characteristic	Mean for 95 SDAs in sample	Mean for 289 SDAs not in sample
Total terminees	1,261	1,159
Youth terminees	544	504
Funds spent for youth (percent of title II-A total)	37.9	39.1
Youth termination data:		
Entered employment rate (percent)	52	52
Employability enhancement rate[a] (percent)	16	16
All positive terminations rate[a] (percent)	68	68
Average wage at termination	$4.19	$4.11
Training (average weeks in program)	17.5	17.9
Youth characteristics (percent):		
Female	49	49
Education:		
Dropouts	23	24
Students	36	36
Graduates	41	40
Single parents	10	10
Race/ethnicity:		
White	55	61
Black	33	26
Hispanic	8	9
American Indian/Alaskan Native	2	1
Asian	2	3
Limited English	2	2
Handicapped	11	13

[a]Includes any positive terminations due to attainment of competencies reported to Labor in addition to data elements on the Annual Status Report.

Source: JTPA Annual Status Reports

Comparison of All SDAs in the States and the District of Columbia by Competency System Status (Program Year 1984)

		Youth employment competency system status			
	All SDAs	Implemented	Developing	No systems	No information available
Total no. of SDAs	582	384	147	25[a]	25
Selected program descriptors:					
Total terminees					
Median	797	854	705	438	675
Lowest	55	55	70	106	122
Highest	34,630	13,706	8,240	1,258	2,128
Youth terminees					
Median	332	357	262	161	262
Lowest	18	18	25	18	31
Highest	14,125	6,815	3,943	488	1,010
Percent funds for youth					
Median	39.0	39.0	38.1	38.6	37.7
Lowest	15.1	15.1	16.9	22.5	24.5
Highest	68.3	67.0	68.3	53.4	51.8
Average weeks in program					
Median	17	17	17	18	15
Lowest	4	7	5	10	4
Highest	41	41	34	29	24
Performance data (positive terminations):					
Entered employment rate (percent)					
Median	55	53	57	68	52
Lowest	7	7	13	38	18
Highest	90	90	89	82	82
Employability enhancement rate[b] (percent)					
Median	4	4	6	3	3
Lowest	0	0	0	0	0
Highest	61	61	50	47	58
All positive terminations rate[b] (percent)					
Median	55	54	57	68	52
Lowest	7	7	13	38	18
Highest	90	90	89	82	82
Average wage at termination					
Median	$4.03	$4.03	$4.00	$4.01	$4.15
Lowest	3.39	3.39	3.51	3.50	3.59
Highest	7.92	6.57	7.92	6.45	5.52

		Youth employment competency system status			
	All SDAs	Implemented	Developing	No systems	No information available
Youth characteristics (median percent):					
Female	49	49	51	50	52
Education:					
Dropouts	23	22	25	24	24
Students	32	34	25	26	35
Graduates	40	40	42	49	40
Single parents	10	9	11	11	11
Race/ethnicity:					
White	61	63	52	64	53
Black	17	18	17	6	30
Hispanic	2	2	3	3	3
American Indian/Alaskan	0	0	0	0	0
Asian	1	1	1	0	1
Limited English	1	1	1	1	1
Handicapped	9	9	8	9	11

[a]One SDA was not included in this summary because it was much larger than the others (34,630 terminees).

[b]Excludes any positive terminations due to attainment of competencies.

Source: JTPA Annual Status Reports

Pre-Employment/Work Maturity Competencies Included in the Youth Competency Systems of Eight SDAs (Program Year 1984)

Following are the pre-employment/work maturity competencies included in the youth competency training systems of the eight SDAs visited by GAO.

South Florida Consortium

- Assessment of personal oral language skills.
- Oral language improvement.
- Nonverbal communication.
- Oral communication skills.
- Job search skills.
- Completing job applications.
- Job-interviewing skills.
- Job-keeping skills.

Boulder County

- Self concept and self esteem.
- Interests, skills, and aptitude.
- Job applications.
- Resumes.
- Assertiveness.
- Conflict resolution.
- Stress management.
- Labor market information.
- Motivation.
- Values clarification.
- Short-term employment goal.
- Career planning.
- Independent living skills.
- Job search skills.

Pacific Mountain Consortium

- Work values.
- Labor market information.
- Personal information.
- Career planning.
- Job search.
- Dependability.
- Work attitude.
- Responding to supervision.
- Personal appearance.
- Communication.

Pittsburgh City

- Problem solving.
- Personal health/hygiene/grooming/dress.
- Money management.
- Self-assessment.
- Career awareness.
- Labor market information.
- Wages and fringe benefits.
- Career planning.
- Team work.
- Resumes.
- Reference selection.
- Completing job applications.
- Employer/job information.
- Job seeking.
- Interviewing skills.
- Task completion.
- Time management.
- Dependability/reliability.
- Advancement.
- Cooperation.
- Responding to supervision.

Dutchess/Putnam Consortium

- Completing job applications.
- Interviewing skills.
- Resumes.
- Dependability.
- Work attitude.
- Responding to supervision.
- Operating job-related equipment/machines.
- Working relationships.
- Personal appearance.

Los Angeles City

- Assessment of personal capabilities and interests.
- Career planning.
- Money management.
- Job search skills.
- Resumes.
- Personal appearance.
- Completing job applications.
- Interviewing skills.
- Work attitude.

- Dependability.
- Operating job-related equipment/machinery.
- Working relationships.
- Responding to supervision.

Shreveport City

- Assessment of aptitudes and interests.
- Appropriate work behavior.

Tri-County Consortium

- Completing job applications.
- Interviewing skills.
- Resumes.
- Oral communication.
- Job sources.
- Information sources.
- Personal appearance.
- Job interview follow-up skills.
- Obtaining written references.
- Personal interests.
- Personal skills.
- Labor market information.
- Decision-making skills.
- Identifying sources of career information.
- Develop a career.
- Attendance.
- Tardiness.
- Maintains an average rating in significant job elements.
- Employer expectation.
- Basic math skills.
- Safety rules.
- Work attitude.
- Receiving constructive criticism.
- Work readiness.

Basic Education Competencies Included in the Youth Competency Systems of Eight SDAs (Program Year 1984)

Following are the basic education competencies included in the youth competency training systems of the eight SDAs visited by GAO.

South Florida Consortium	• Remedial education in reading, such as sight vocabulary, consonants, vowels, and suffixes. • Remedial education in English, such as nouns, verbs, sentence structure, and spelling. • Remedial education in mathematics, such as addition, subtracting of whole numbers, percentages, plane geometry, and multiplication. • Remedial education in social studies, such as American history, political science, geography, and economics. • Remedial education in science, such as biology, earth science, chemistry, and physics. Note: In practice, a participant's scores on the Test of Adult Basic Education were used to determine competency deficiencies and later to assess attainment of the above types of competencies.
Pacific Mountain Consortium	
Out-Of-School Youth	• Obtain a General Education Development certificate. • Obtain a high school diploma. • Complete one quarter of adult basic education.
In-School Youth	• Complete the grade in which the youth was enrolled at the start of JTPA training.
Dutchess/Putnam Consortium	• Remedial education in basic communication skills, such as reading and writing and job-related mathematics. • Remedial education in computation.
Los Angeles City	• Remedial education in basic academic abilities, such as vocabulary and reading. • Written communication.

	• Remedial education in computation skills, including addition and subtraction.
Boulder County, Tri-County Consortium, Pittsburgh City, and Shreveport City	• None.

Job-Specific Competencies Included in the Youth Competency Systems of Eight SDAs (Program Year 1984)

Following are the job-specific competencies included in the youth competency training systems of the eight SDAs visited by GAO.

South Florida Consortium

Lists of specific competencies had been approved for 17 occupations. Occupations most often taught were clerical, auto mechanics, security guard, and nurses aid. As an example, 64 competencies had been approved for the clerical occupation cluster. Some of the types of clerical competencies were:

- Greeting visitors.
- Answering the telephone.
- Placing phone calls.
- Typing speed.
- Typing business letters.
- Typing addresses and envelopes.
- Spelling.
- Taking and transcribing dictation.
- Completing monthly statements for customers.
- Word processing.

Pacific Mountain Consortium

Although the private industry council approved the inclusion of job-specific skill competencies in the SDA's competency system, the council had not approved a list of specific competencies for any occupations. Instead, the contractor/program operator entered into an agreement with local employers who provided worksite job training. The agreement delineated the competencies. For example, an agreement for training a youth in custodial training listed the following competencies:

- Vacuuming.
- Floor maintenance.
- Window washing.
- Stripping and waxing floor.

Shreveport City

Job-specific skills competencies for the Shreveport SDA were not occupation-specific. The private industry council approved one general job-specific skills competency that required participants to "demonstrate skills required for entry level employment in a chosen field of interest."

Boulder County, Tri-County Consortium, Pittsburgh City, Dutchess/Putnam Consortium, and Los Angeles City	• None.

Comparison of Pre-Employment/Work Maturity Competency Statements Provided by Some SDAs

To illustrate some of the diversity in SDAs' competency statements, we compare in this appendix statements on three pre-employment/work maturity competencies (career planning, job search, and interviewing) from some of the eight SDAs we visited. The statements are direct quotations from the competency training plan approved by each SDA's private industry council.

Career Planning Competency

Boulder County SDA	The participant will complete a sample career plan.
Pacific Mountain Consortium SDA	The participant will (1) determine how to choose a career that fits his/her interests and values, (2) identify steps and procedures to reach career goals, (3) re-think career goals and plans to change them when necessary, (4) recognize that career planning is on-going rather than a single life event, and (5) obtain a satisfactory performance rating at the end of the training period.
Pittsburgh City SDA	The participant will make realistic career plans by (1) selecting one or two careers consistent with interests, abilities, resources, and constraints, (2) listing related jobs and identifying three local employers currently hiring for those jobs, (3) completing a detailed 5-year career plan and steps for achieving the plan, and (4) identifying realistic initial salary expectations.

Job Search Competency

South Florida Consortium SDA	The participant will increase skills in using want ads and other sources in identifying job openings and will have an increased understanding of the hiring process and increased skill in following up on job leads.

Pittsburgh City SDA	The participant will look for a job by (1) developing a network of references, personnel managers, friends, relatives who have information on jobs, (2) developing a list of job resources, (3) making three personal visits to employers to gather information, and (4) following up personal visits with letters and phone calls.
Pacific Mountain Consortium SDA	The participant will (1) make realistic choices of jobs to apply for, (2) create a plan to conduct a job search, (3) prepare a resume summarizing experience, education and job training, (4) identify specific employers to approach by using community resources, (5) practice contacting employers, completing job applications, setting up interviews, (6) understand hiring practices of relevant employers, and (7) obtain a satisfactory performance rating at the end of the training period.

Interviewing Competency

Tri-County Consortium SDA	The participant will acquire appropriate interview techniques.
Los Angeles City SDA	The participant will be able to perform well in an interview by (1) appearing appropriately groomed and dressed, (2) answering questions directly and completely, (3) speaking clearly and distinctly, (4) clearly stating personal capabilities, (5) asking appropriate questions pertinent to specific job skills, salary, and benefits, and (6) showing up on time or 15 minutes early.
South Florida Consortium SDA	Objective: To develop the competencies needed for success in job interviews. Desired results: The participant will increase competencies needed for successful job interviews.

How Eight SDAs Assessed New Enrollees' Competency Deficiencies (Program Year 1984)

	Methods of assessing competency deficiencies of new enrollees, by competency area		
SDA	**Pre-employment/work maturity**	**Basic education**	**Job-specific skills**
South Florida Consortium	No formal assessment. Participants assumed deficient in pre-employment competencies.	Participants were not specifically assessed for competencies approved by the private industry council. Test of Adult Basic Education used to determine overall basic education competency before start of training.	No formal assessment. Participants were assumed deficient in job-specific skills competencies.
Boulder County	No formal assessment. Participants assumed to be deficient in pre-employment competencies.	N/A	N/A
Pacific Mountain Consortium	No formal assessment. Informal assessment consisted of consultation between youth and a counselor to develop an individualized training plan. Private industry council opposed standardized testing for assessment of deficiencies.	Informal, including conversations with participants and observation of participant behavior.	Informal, including conversations with participants and observation of participant behavior.
Tri-County Consortium	Different for various participants. In-school youths from local schools assessed by school records, teacher evaluations, and observation. Out-of-school youth attended 1-week assessment at a local college. Formal tests used included the Test of Adult Basic Education, the Holland Inventory, Wide Range Interest Opinion Test, and the General Aptitude Test Battery.	N/A	N/A
Pittsburgh City	Standardized tests, developed in conjunction with a local university, incorporated 12 of 21 approved competencies into written and behavioral assessment instruments. The SDA planned to develop during program year 1985 an instrument incorporating all 21 competencies.	N/A	N/A
Dutchess/ Putnam Consortium	Standardized tests, including Participant Assessment of Youth Eligibility Skills and General Aptitude Test Battery. Also, (1) observation of behavior in interviews, (2) evaluation of work history and discussions with teachers and counselors, and (3) locally designed self-evaluation tests.	Test of Adult Basic Education and locally designed tests.	N/A
Los Angeles City	Observation of behavior in interviews, evaluations from teachers or counselors, and ability to identify job interests.	Observation of behavior, review of behavior, review of school records, evaluations from teachers and counselors, and Stanford Test of Academic Skills.	N/A

	Methods of assessing competency deficiencies of new enrollees, by competency area		
SDA	**Pre-employment/work maturity**	**Basic education**	**Job-specific skills**
Shreveport City	Observation of behavior in interviews, counselors' evaluations, and review of work history and school records. Standardized tests, e.g., Adult Performance Level Test of Occupational Knowledge.	N/A	Observation of participant behavior during interviews, self-assessment by the participant, and results of locally designed assessment tests.

How Eight SDAs Assessed Enrollees' Attainment of Competencies (Program Year 1984)

SDA	Methods of assessing attainment of competencies by competency area		
	Pre-employment/work maturity	**Basic education skills**	**Job-specific skills**
South Florida Consortium	Youths (trained by contractors) required to pass tests administered by an SDA staff training design specialist. Attainment measured by the ability to complete a job application, effectively participate in a job interview, and achieve a score of 75 percent on a standard rating form.	Test of Adult Basic Education used. Posttest scores compared with pretest scores to determine whether participant skills had risen to level agreed upon by SDA training design specialist and training contractor prior to start of training.	SDA training design specialist administered written and hands-on tests to measure competency attainment for each occupation. Participants failing tests were scheduled for retesting after receiving more training by contractor.
Boulder County	Trainers (including SDA staff and contractors) rated each participant's performance as "satisfactory" or "unsatisfactory."	N/A	N/A
Pacific Mountain Consortium	Measurement of pre-employment competency based on training contractors' judgment of participant performance. Participants rated "acceptable" or "not acceptable." Work maturity attainment measured by meeting employer's defined expectations as documented on evaluation sheet.	Participants required to (1) complete grade enrolled in at time of competency training, (2) obtain a General Education Development certificate, (3) obtain a high school diploma, or (4) complete one quarter of Adult Basic Education.	Employers who provided on-the-job training rated each participant's ability to perform job tasks "with assistance" or "without assistance."
Tri-County Consortium	Attainments monitored by SDA staff. Participants trained by local schools monitored bi-weekly; youths trained by SDA staff monitored daily. SDA staff reviewed activities completed by participants, observed participant behavior, and discussed participant progress. Locally designed posttest administered by SDA staff at end of training.	N/A	N/A
Pittsburgh City	Competency system incorporated 39 of 70 competency benchmarks approved by the private industry council. Eleven were assessed using a standardized written test developed in conjunction with a local university; 28 (behavioral) by the trainer from observed behavior. Participants had to attain 27 benchmarks to be considered successful.	N/A	N/A
Dutchess/ Putnam Consortium	Used Participants Assessment of Youth Eligibility Skills Test and locally designed hands-on tests. Also, participants had to complete tasks, e.g., a job application, resume, and cover letter.	Determined by scores on Test of Adult Basic Education or by attaining a General Education Development certificate or high school diploma.	N/A

SDA	Methods of assessing attainment of competencies by competency area		
	Pre-employment/work maturity	**Basic education skills**	**Job-specific skills**
Los Angeles City	Used Adult Performance Level Test of Occupational Skills for pre-employment competency attainment; employer appraisals and other evaluations of participant performance for work maturity competency attainment.	Participants had to demonstrate an increased level of performance on the Stanford Test of Academic Skills. Also, used evaluations from teachers, counselors, and supervisors and results from mastery tests to measure competency attainment.	N/A
Shreveport City	For pre-employment skills, participants had to identify three career choices that matched their skills and abilities; work maturity skills were measured by employer's observation of behavior and performance during training. Participants had to be rated "satisfactory" by worksite supervisor.	N/A	Used employer's observation and performance of hands-on tests.

Some Characteristics of Youths Enrolled in Title II-A Competency Training in Eight SDAs Visited by GAO (Program Year 1984)

SDA	Competency training participants	Priority groups	Characteristics			
			In-school	Out-of-school	Age 14-15	Age 16-21
South Florida Consortium	1,930	Dropouts, welfare recipients, handicapped, blacks, other minorities	No	Yes	No	Yes
Boulder County	72	None	Yes	Yes	Yes	Yes
Pacific Mountain Consortium	150	None	Yes	Yes	No	Yes
Tri-County Consortium	289	None	Yes	Yes	Yes	Yes
Pittsburgh City	10	None	Yes	Yes	No	Yes
Dutchess/Putnam Consortium	89	None	Yes	Yes	No	Yes
Los Angeles City	261	None	Yes	Yes	Yes	Yes
Shreveport City	181	Dropouts, welfare recipients, handicapped, blacks, Hispanics, American Indian, other minorities	Yes	Yes	No	Yes

Comments From the Department of Labor

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

NOV 20 1986

Mr. Richard L. Fogel
Assistant Comptroller General
Human Resources Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Fogel:

In reply to your letter to the Secretary of Labor requesting comments on the draft GAO report entitled "Job Training Partnership Act: Problems Measuring Youths' Attainment of Employment Competencies," the Department's response is enclosed.

The Department appreciates the opportunity to comment on this report.

Sincerely,

ROGER D. SEMERAD
Assistant Secretary of Labor

Enclosure

U.S. Department of Labor's Response To
The Draft General Accounting Office Report
Entitled--

Job Training Partnership Act:
Problems Measuring Youths' Attainment
of Employment Competencies

Recommendation: The Secretary of Labor should (1) recommend that States adjust the performance standards to take into account the differences in competency systems, and (2) provide technical assistance to help States make these adjustments.

Response: The Department concurs.

Comments: The Department believes that this report is extremely thorough in describing the extent and nature of youth competency systems as of June 30, 1985, and perceptive in analyzing and portraying the complexity of issues involved in incorporating into the national performance standards process the attainment of youth employment competencies recognized by the local private industry council.

The Department plans to continue to provide policy guidance and technical assistance to States through the annual performance standards technical assistance guide and training conferences. Because of the new JTPA Annual Status Report definition for reporting youth competency attainment in Program Year 1986, the Department expects that adjustments to performance standards beyond the model to account for different degrees of sophistication in local competency programs will be given additional emphases in both the technical assistance guide and training conferences.

Comments From the Office of Management and Budget

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

NOV 21 1986

Mr. William J. Anderson
Assistant Comptroller General
General Accounting Office
Washington, D.C. 20548

Dear Mr. Anderson:

Thank you for providing the Office of Management and Budget (OMB) with the opportunity to comment on the General Accounting Office's (GAO's) draft report entitled, "Job Training Partnership Act: Problems Measuring Youths' Attainment of Employment Competencies." OMB strongly supports the Job Training Partnership Act's (JTPA's) emphasis on youth training and the Department of Labor's (DOL's) efforts to encourage States and localities to provide competency-based training to youth participating in the JTPA program.

We would like to confine our comments to the presentation of OMB's disapproval of the proposed additional data elements for the JTPA Annual Status Report (JASR) concerning youth competency attainment. We believe that the report fails to address adequately the issues considered during OMB's review of the DOL proposal.

On January 10, 1986, the Department submitted to OMB for Paperwork Reduction Act review several proposed changes to the JASR. Two of the proposed changes pertained to youth competency attainment. Specifically, one proposed addition (I.B.2.a. on the form) would have asked for the total number of youth who have attained youth competencies recognized by the private industry councils (PICs), the organizations that set overall policy at the local, or service delivery area (SDA), level. The other proposed addition (Section IV of the form) would have required SDAs to report on youth attainments or deficiencies in three skill areas: pre-employment/work maturity skills, basic education skills, and job-specific skills.

On April 10, 1986, after several meetings with DOL staff and a careful review of comments on the proposal, OMB approved the proposed additional data collection on youth attaining PIC-recognized youth competencies (I.B.2.a.) and disapproved the detailed data collection on competency attainment on three skill areas (Section IV). The Department appealed the OMB disapproval on April 23, 1986. After thorough consideration of the appeal, including additional meetings with DOL, the DOL appeal was denied on June 18, 1986. As we noted in the June 18th letter notifying the Department of our decision, "the Paperwork Reduction Act

mandates that both the collecting agency and OMB ensure that any proposed collection of information is absolutely necessary for the proper performance of the agency's function, is not duplicative of existing collections, and imposes minimum burden on the public. In our judgment, the proposed data elements...do not meet these criteria."

OMB had two major concerns with the proposed Section IV of the JASR. First, the proposed data collection would appear to threaten the prerogative of the PICs and States to define what constitutes a youth competency and a youth competency system. Second, the data collected under Section IV would be used to develop a very detailed performance measure that could not be applied fairly across SDAs nationwide.

As indicated by the title of the Act, the JTPA program is a "partnership" between Federal, State, and local governments and between these governments and the private sector as represented by the PICs. Each partner has responsibilities and authorities established by the Act and by administrative practices developed over the past three years.

The JTPA requires the Secretary of Labor to establish national performance standards for the Department of Labor and the States to use in evaluating program success. Section 106(b)(2) requires the Secretary to establish performance standards for youth programs on the basis of, among other factors, the attainment of PIC-recognized employment competencies. The Act does not authorize the Secretary to define those competencies or to prescribe what should be included in a competency-based system.

Because of our Federalism and regulatory relief concerns, OMB has consistently asked DOL and the other three departments with block grant programs enacted in 1981 (Education, Health and Human Services, and Housing and Urban Development) to limit regulatory and paperwork requirements so as to provide maximum flexibility to State and local officials. As GAO has noted in its report entitled, "Block Grants Overview of Experiences to Date and Emerging Issues," HRD-85-46, Federalism has worked effectively because of the proven competence of State and local program administrators.

Many groups, including States and PICs, commented on the proposed JASR which DOL published in the January 14, 1986 Federal Register. Of the comments received on the proposal, we found that while nearly all who commented on the youth competency addition agreed in principle with the concept, most objected to the inclusion of Section IV on the following grounds: (1) the data in I.B.2.a. were sufficient to establish a performance standard, (2) the data in Section IV would encroach on PIC authority to define what constitutes a youth competency and to determine what should be included in a youth competency-based training system, and (3) the data in Section IV would not be useful to DOL since the youth competency standards vary widely

across SDAs. Comments from the State of Wisconsin, in effect, summarize the concerns of those who objected to the proposed section. Wisconsin asserted that "the Act explicitly leaves the decision whether to develop a [youth competency] system and the nature and extent of a system to local prerogative. The inclusion of Section IV on the JASR...will serve to coerce SDAs toward the development of youth competency systems designed to attain high ratios of attainments to deficiencies even though the meanings of the terms 'deficient' and 'attained' may vary widely in the absence of standardized definitions. That policy direction is counter to the intent of the Act."

As a side note, DOL did not raise for debate or discussion the youth competency data elements in the forum it had to assess established performance standards issues. The JTPA Performance Standards Advisory Council -- made up of all parts of the JTPA system, including States and PICs -- considered all the other proposed changes to the JASR, including the post-program followup data collection, but not the proposed youth competency data elements in Section IV. These data elements were added to the JASR after the Council had made its final recommendation regarding the other proposed changes. One of the principal parties on the Advisory Council, the National Governors' Association, expressed concern about this lack of consultation in its comments on the proposal. Given the critical roles that States and PICs play in administering the JTPA program, these comments should not be dismissed lightly. In fact, DOL acknowledged all of the above concerns in the June 18, 1986 Federal Register notice that announced the final decisions regarding the JASR. Thus, we believe that these concerns merited far more consideration than they were given in the draft GAO report.

In addition to the important Federalism issues the DOL proposal raised, OMB was concerned about the subjective nature of the attributes of youth competency attainment that DOL was attempting to measure. We shared Wisconsin's skepticism about the usefulness to DOL of data pertaining to the ratios of youth competency attainments to deficiencies when the meanings of the terms 'deficient' and 'attained' will and, to reflect different local needs and priorities, probably should vary across States and SDAs.

Since the skill levels and training needs of youth vary considerably among SDAs, the PICs are in a much better position than DOL to determine what the needs of local youth are and when those needs have been met. The issue of consistency of youth competency measures across SDAs is properly a question to be resolved by the individual States and their SDAs. We believe the GAO report effectively highlights the difficulty of determining local needs. By establishing a specific, standardized reporting system for youth competency attainments, however, DOL would be taking away State and PIC flexibility to develop youth competency systems to meet those local needs. It is this concern for

preserving the JTPA-established flexibility to structure local training systems to meet local needs that underlies our decision to disapprove the proposed data elements at Section IV for the JASR pertaining to youth competency attainment. In our opinion, however, the GAO report does not fully address this important concern.

Now on pp. 18 and 51.

We also object to the proposed report's inferences on pages 11 and 54 that in meetings held between DOL and OMB in October 1983, OMB indicated that it would not approve any Labor request to collect data on youth competencies. We have no record that OMB ever made such statements to DOL. Furthermore, OMB would not take action on any proposed data collection before it is formally submitted to OMB for Paperwork Reduction Act review. Thus, we request that GAO provide this necessary clarification in the report.

Again, thank you for providing us with the opportunity to comment on the proposed report. If you have any questions regarding our comments, please do not hesitate to contact me.

Sincerely,

James B. MacRae, Jr.
Deputy Administrator
Office of Information and
Regulatory Affairs